

THE STATE OF TEXAS
COUNTY OF TRAVIS

TEXAS WATER COMMISSION

I hereby certify that this is a true and correct copy of a Texas Water Commission document, the original of which is filed in the permanent records of the Commission.

Given under my hand and the seal of
office on MAY 23 1989



Brenda W. Foster
Brenda W. Foster, Chief Clerk
Texas Water Commission

Encl to

AN ORDER in the matter of the complaints of
Springwoods Municipal Utility District,
North Central Austin Growth Corridor
Municipal Utility District No. 1, the
City of Rollingwood, and North Austin
Growth Corridor Municipal Utility District
No. 1 against the City of Austin

On May 11, 1989, the Texas Water Commission (Commission) considered the complaints of Springwoods Municipal Utility District (Springwoods), North Central Austin Growth Corridor Municipal Utility District No. 1 (North Central Austin), Williamson County Municipal Utility District No. 1 (Williamson County), the City of Rollingwood (Rollingwood), and North Austin Growth Corridor Municipal Utility District No. 1 (North Austin) [all collectively referred to as "petitioners" or "complainants"] against the City of Austin (Austin), complaining of wholesale rates charged by Austin to the petitioners for the provision of treated water.

A Commission Hearings Examiner designated the following entities and individuals as parties to the proceedings: the petitioners (Springwoods, North Central Austin, Williamson County, Rollingwood and North Austin); Austin; the Executive Director of the Commission; and the Public Interest Advocate of the Commission.

capacity, to current ratepayers in contravention of commonly accepted rate-making practices.

39. Maintenance of the coverage ratios set forth in Finding of Fact No. 33 will produce actual "operating" coverage ratios, a distinct coverage calculation which takes into consideration beginning balances, in the range of 1.69 to 1.95. These coverages are consistent with actual "operating" coverages for the combined water and wastewater department for the period 1980 to 1988.
40. Transfers to the City's general fund for administrative support are proper expense items since various services are rendered to the water utility in return for such transfers.
41. Unspecified blanket transfers to the general fund should be functionalized between the water and wastewater systems based upon the number of gallons of water and wastewater billed by Austin. The transfer amounts should be subfunctionalized within the water utility and are justifiable only to the extent necessary for the provision of adequate debt service coverage.
- a. Functionalization based upon gallons billed provides an equitable assignment of transfer costs between the water and wastewater utilities.
- (1) Austin has placed the entire burden of these transfers upon only the water utility fund and

Footnote #41

THE STATE OF TEXAS
COUNTY OF TRAVIS
TEXAS WATER COMMISSION
I hereby certify that this is a true and correct copy of a Texas Water Commission document, the original of which is filed in the permanent records of the Commission.
Given under my hand and the seal of
Office on MAY 23 1989



Brenda W. Foster
Brenda W. Foster, Chief Clerk
Texas Water Commission

Encl to

AN ORDER in the matter of the complaints of Springwoods Municipal Utility District, North Central Austin Growth Corridor Municipal Utility District No. 1, the City of Rollingwood, and North Austin Growth Corridor Municipal Utility District No. 1 against the City of Austin

On May 11, 1989, the Texas Water Commission (Commission) considered the complaints of Springwoods Municipal Utility District (Springwoods), North Central Austin Growth Corridor Municipal Utility District No. 1 (North Central Austin), Williamson County Municipal Utility District No. 1 (Williamson County), the City of Rollingwood (Rollingwood), and North Austin Growth Corridor Municipal Utility District No. 1 (North Austin) [all collectively referred to as "petitioners" or "complainants"] against the City of Austin (Austin), complaining of wholesale rates charged by Austin to the petitioners for the provision of treated water.

A Commission Hearings Examiner designated the following entities and individuals as parties to the proceedings: the petitioners (Springwoods, North Central Austin, Williamson County, Rollingwood and North Austin); Austin; the Executive Director of the Commission; and the Public Interest Advocate of the Commission.

1 9 9 3 1 5 0 2 1 7

proportion of ending balance requirements could be allocated to the wastewater operations.

- (3) No cost-of-service basis was presented by Austin to justify the subsidization of wastewater operations through the maintenance of substantially greater ending balance requirements for the water utility.

44. It is not inappropriate to draw down beginning balances to reduce the amount of revenues necessary for the provision of water service.

- a. The cash basis method of rate-making was utilized by the parties to this proceeding.
- b. Under the cash basis method of rate-making, the utility is not entitled to include in its cost-of-service analysis a factor for profit or depreciation.
- c. The combined Austin water and wastewater utility is a publicly-owned utility.
- d. Excess balances for publicly-owned utilities do not belong to the municipality and should eventually be returned to the ratepayers in the form of services, additional facilities, or reduced rates.
- e. The beginning balances are comprised of surplus net revenues collected, in part, as a result of excessive rates and are neither a profit nor a

Footnote #42

**CITY OF AUSTIN, TEXAS
AUSTIN WATER UTILITY**

Budget FY 2013-17

Option #30

*** DRAFT ***

**Combined Operating Budget
Fund Summary**

	Actual 2009-10	Actual 2010-11	Amended Budget 2011-12	Estimated 2011-12	Proposed 2012-13
BEGINNING BALANCE:	\$63,868,638	\$58,237,765	\$46,752,900	\$71,741,693	\$72,638,758
REVENUES:					
Water Services	\$167,950,512	\$231,623,161	\$217,346,000	\$224,512,229	\$255,446,799
Wastewater Services	186,764,058	199,898,274	216,345,137	211,354,289	231,798,910
Reclaimed Water Services	404,498	587,920	879,424	748,517	1,431,331
Revenue Stability Fee	0	0	17,000,000	17,000,000	5,666,667
Reserve Fund Surcharge	0	0	0	0	3,809,300
Miscellaneous Revenue	5,854,982	7,283,605	6,409,136	5,957,501	8,897,300
Interest Income	691,102	419,751	804,807	274,004	748,233
TOTAL REVENUES:	\$361,765,152	\$439,812,711	\$458,784,504	\$459,844,540	\$507,798,540
TRANSFERS IN:					
Public Works	\$300,582	\$300,582	\$300,582	\$300,582	\$300,582
Capital Recovery Fees	17,885,673	4,800,000	4,300,000	4,300,000	4,800,000
Reclaimed Utility Fund	0	0	0	0	1,920,000
TOTAL TRANSFERS IN:	\$18,186,255	\$5,100,582	\$4,600,582	\$4,600,582	\$7,020,582
TOTAL AVAILABLE FUNDS:	\$379,951,407	\$444,913,293	\$463,385,086	\$464,445,222	\$514,819,122
OPERATING REQUIREMENTS					
Operations and Maintenance					
Treatment	\$58,413,159	\$60,834,395	\$67,453,306	\$68,715,012	\$73,567,411
Pipeline Operations	33,747,604	33,448,194	33,790,188	34,522,344	38,486,675
Engineering Services	9,997,781	10,326,710	12,057,879	11,360,826	13,364,305
Water Resources Management	3,798,010	3,872,222	4,041,065	4,106,894	4,803,937
Environmental Affairs & Conservation	11,676,613	9,867,214	12,170,711	9,835,792	13,113,373
Support Services - Utility	16,283,017	15,997,078	16,725,781	17,547,895	19,322,198
Reclaimed Water Services	0	0	255,585	251,328	276,471
One Stop Shop	476,114	496,730	523,962	523,962	601,462
Other Operating Expenses	4,710,602	6,825,592	6,469,875	6,180,203	6,815,749
Total Operations & Maintenance	\$139,102,900	\$141,668,135	\$153,488,352	\$153,044,256	\$170,351,581
(%RR)	36.0%	32.8%	32.8%	33.0%	32.9%
Other Requirements:					
Accrued Payroll	\$377,580	\$291,644	\$198,591	\$189,199	\$324,950
Workers' Compensation Fund	961,067	1,035,444	1,022,402	1,022,402	1,195,033
Liability Reserve Fund	620,000	620,000	550,000	550,000	500,000
Administrative Support - City	6,476,539	7,088,728	8,272,098	8,272,098	12,150,381
AE Billing & Customer Care	12,262,192	13,786,079	16,556,100	16,556,100	18,496,148
311 System Support	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CTM Support	4,174,664	4,238,170	3,125,227	3,125,227	3,447,396
CTECC Emergency Operations Center	0	7,690	5,994	5,994	7,117
Wage Adjustments Market Study	0	0	584,189	0	0
Additional Contribution to Retirement	2,008,204	3,089,029	4,376,882	4,376,882	0
Total Other Requirements:	\$27,880,246	\$31,051,266	\$35,691,483	\$35,097,902	\$37,121,025
TOTAL OPERATING REQUIREMENTS:	\$166,983,146	\$172,719,401	\$189,179,835	\$188,142,158	\$207,472,606
(%RR)	43.2%	39.9%	40.6%	40.6%	40.0%
DEBT SERVICE:					
Revenue Bond Debt Service	\$151,506,313	\$166,475,688	\$182,029,029	\$181,066,004	\$197,547,341
Commercial Paper Debt Service	503,663	448,644	780,388	471,078	654,842
Contract Bond Debt Service	606,181	0	0	0	0
General Obligation Debt Service	4,517,409	4,909,782	5,548,441	5,507,772	5,320,469
Water District Bonds	2,071,775	1,501,546	719,268	719,268	715,334
TOTAL DEBT SERVICE:	\$159,205,341	\$173,335,660	\$189,077,126	\$187,764,122	\$204,237,986
(%RR)	41.2%	40.1%	40.6%	40.5%	39.4%
TRANSFERS OUT:					
Capital Improvements Program	\$26,460,000	\$49,855,000	\$49,900,000	\$49,900,000	\$58,400,000
General Fund	28,967,464	31,263,325	31,919,531	31,919,531	34,548,359
Revenue Stability Reserve Fund	0	0	0	0	5,516,300
Radio Communications Fund	264,478	287,472	361,978	361,978	384,939
Sustainability Fund	4,144,601	4,221,113	4,587,844	4,587,844	5,077,985
Reclaimed Utility Fund	0	0	0	0	1,920,000
Economic Incentives Reserve Fund	0	333,333	333,333	333,333	333,333
Public Improvement District	75,000	75,000	75,000	75,000	75,000
Transfer to PARD CIP-Swimming Pools	100,000	100,000	100,000	100,000	100,000
Environmental Remediation Fund	241,500	241,500	364,191	364,191	364,191
TOTAL TRANSFERS OUT:	\$60,253,043	\$86,376,743	\$87,641,877	\$87,641,877	\$106,720,107
(%RR)	15.8%	20.0%	18.8%	18.9%	20.6%
TOTAL REQUIREMENTS:	\$386,441,530	\$432,431,804	\$465,898,838	\$463,548,157	\$518,430,699
EXCESS / (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS:	(\$6,490,123)	\$12,481,489	(\$2,513,752)	\$897,065	(\$3,611,577)
ADJUSTMENT TO GAAP	\$859,250	\$1,022,439	\$0	\$0	\$0
ENDING BALANCE:	\$58,237,765	\$71,741,693	\$44,239,148	\$72,638,758	\$69,027,181
Combined Rate Increases	4.5%	4.5%	5.1%	5.1%	5.5%
Debt Service Coverage Ratio			1.51	1.53	1.56

**CITY OF AUSTIN, TEXAS
AUSTIN WATER UTILITY**

Budget FY 2013-17

Option #30

*** DRAFT ***

**Water Operating Budget
Fund Summary**

	Actual 2009-10	Actual 2010-11	Amended Budget 2011-12	Estimated 2011-12	Proposed 2012-13
BEGINNING BALANCE:	\$29,408,799	\$18,702,014	\$21,874,267	\$42,322,379	\$55,130,222
REVENUES:					
Water Services	\$167,950,512	\$231,623,161	\$217,346,000	\$224,512,229	\$255,446,799
Wastewater Services	0	0	0	0	0
Reclaimed Water Services	400,831	580,368	0	0	0
Revenue Stability Fee	0	0	17,000,000	17,000,000	5,666,667
Reserve Fund Surcharge	0	0	0	0	3,809,300
Miscellaneous Revenue	1,883,856	3,503,760	2,480,785	2,822,700	4,216,600
Interest Income	177,597	120,610	397,242	107,873	404,873
TOTAL REVENUES:	\$170,412,796	\$235,827,899	\$237,224,027	\$244,442,802	\$269,544,239
TRANSFERS IN:					
Public Works	\$150,291	\$150,291	\$150,291	\$150,291	\$150,291
Capital Recovery Fees	8,921,328	3,000,000	3,000,000	3,000,000	3,000,000
Reclaimed Utility Fund	0	0	0	0	0
TOTAL TRANSFERS IN:	\$9,071,619	\$3,150,291	\$3,150,291	\$3,150,291	\$3,150,291
TOTAL AVAILABLE FUNDS:	\$179,484,415	\$238,978,190	\$240,374,318	\$247,593,093	\$272,694,530
OPERATING REQUIREMENTS					
Operations and Maintenance					
Treatment	\$29,994,227	\$31,796,064	\$35,089,080	\$35,450,468	\$37,547,064
Pipeline Operations	19,199,976	20,257,260	19,253,690	19,874,935	22,225,860
Engineering Services	4,280,478	4,491,458	5,617,676	5,347,728	6,349,353
Water Resources Management	1,942,333	1,892,783	1,817,011	1,810,370	2,239,267
Environmental Affairs & Conservation	9,795,278	7,897,429	10,297,879	7,992,824	10,931,930
Support Services - Utility	8,193,751	8,062,817	8,345,532	8,775,179	9,664,347
Reclaimed Water Services	0	0	0	0	0
One Stop Shop	179,742	161,050	170,776	170,776	213,673
Other Operating Expenses	2,308,386	4,453,728	3,577,583	3,316,093	3,845,623
Total Operations & Maintenance	\$75,894,171	\$79,012,589	\$84,169,227	\$82,738,363	\$93,017,117
(%RR)	39.8%	36.8%	35.5%	35.2%	32.0%
Other Requirements:					
Accrued Payroll	\$199,302	\$171,561	\$103,658	\$78,527	\$163,498
27th Pay Period Expense	0	1,373,881	0	0	0
27th Pay Period Expense Refund	0	(1,421,970)	0	0	0
Workers' Compensation Fund	472,538	509,108	511,201	511,201	597,517
Liability Reserve Fund	310,000	310,000	275,000	275,000	250,000
Administrative Support - City	3,199,334	3,937,596	4,818,042	4,818,042	7,327,453
AE Billing & Customer Care	8,211,967	8,446,149	10,573,659	10,573,659	12,366,897
311 System Support	500,000	500,000	500,000	500,000	500,000
CTM Support	2,087,332	2,119,085	1,562,613	1,562,613	1,723,698
CTECC Emergency Operations Center	0	3,845	2,997	2,997	3,559
Wage Adjustments Market Study	0	0	313,810	0	0
Additional Contribution to Retirement	981,393	1,545,427	2,170,337	2,170,337	0
Total Other Requirements:	\$15,961,866	\$17,494,682	\$20,631,317	\$20,492,376	\$22,932,622
TOTAL OPERATING REQUIREMENTS:	\$91,856,037	\$96,507,271	\$105,000,544	\$103,230,739	\$115,949,739
(%RR)	48.3%	44.8%	44.3%	44.0%	39.9%
DEBT SERVICE:					
Revenue Bond Debt Service	\$73,147,054	\$82,327,619	\$89,672,947	\$89,271,444	\$95,451,654
Commercial Paper Debt Service	265,987	239,793	457,978	234,815	579,384
Contract Bond Debt Service	0	0	0	0	0
General Obligation Debt Service	1,781,640	1,944,277	2,404,111	2,395,848	2,449,890
Water District Bonds	1,118,960	714,322	266,158	266,158	264,703
TOTAL DEBT SERVICE:	\$76,293,641	\$85,226,011	\$92,801,194	\$92,168,065	\$98,745,631
(%RR)	40.2%	38.5%	38.1%	39.1%	34.0%
TRANSFERS OUT:					
Capital Improvements Program	\$5,120,000	\$15,665,000	\$20,600,000	\$20,600,000	\$48,000,000
General Fund	14,260,165	15,485,864	15,746,956	15,746,956	17,722,306
Revenue Stability Reserve Fund	0	0	0	0	5,516,300
Radio Communications Fund	132,239	143,736	180,989	180,989	192,470
Sustainability Fund	2,092,834	2,179,607	2,372,240	2,372,240	2,695,442
Reclaimed Utility Fund	0	0	0	0	960,000
Economic Incentives Reserve Fund	0	166,666	166,666	166,666	166,666
Public Improvement District	37,500	37,500	37,500	37,500	37,500
Transfer to PARD CIP-Swimming Pools	100,000	100,000	100,000	100,000	100,000
Environmental Remediation Fund	120,750	120,750	182,095	182,095	182,095
TOTAL TRANSFERS OUT:	\$21,863,488	\$33,899,123	\$39,386,446	\$39,386,446	\$75,572,779
(%RR)	11.5%	15.7%	16.6%	16.6%	26.0%
TOTAL REQUIREMENTS:	\$190,013,166	\$215,632,405	\$237,188,184	\$234,785,250	\$290,268,149
EXCESS / (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS:	(\$10,528,751)	\$23,345,785	\$3,186,134	\$12,807,843	(\$17,573,619)
ADJUSTMENT TO GAAP	(\$178,034)	\$274,580	\$0	\$0	\$0
ENDING BALANCE:	\$18,702,014	\$42,322,379	\$25,060,401	\$55,130,222	\$37,556,603
Water Rate Increases	5.7%	5.4%	6.6%	6.6%	5.0%
Debt Service Coverage Ratio			1.51	1.62	1.60

(%RR) = Percentage of Total Revenue Requirements

Option 30 Water COS Austin, TX 4561

**CITY OF AUSTIN, TEXAS
AUSTIN WATER UTILITY**

Budget FY 2013-17

Option #30

***** DRAFT *****

**Wastewater Operating Budget
Fund Summary**

	Actual 2009-10	Actual 2010-11	Amended Budget 2011-12	Estimated 2011-12	Proposed 2012-13
BEGINNING BALANCE:	\$34,459,839	\$39,535,751	\$24,878,633	\$29,419,314	\$17,026,521
REVENUES:					
Water Services	\$0	\$0	\$0	\$0	\$0
Wastewater Services	186,764,058	199,898,274	216,345,137	211,354,289	231,798,910
Reclaimed Water Services	3,667	7,552	0	0	0
Revenue Stability Fee	0	0	0	0	0
Reserve Fund Surcharge	0	0	0	0	0
Miscellaneous Revenue	4,071,126	3,779,845	3,928,351	3,134,801	4,680,700
Interest Income	513,505	299,141	399,742	166,050	339,596
TOTAL REVENUES:	\$191,352,356	\$203,984,812	\$220,673,230	\$214,655,140	\$236,819,206
TRANSFERS IN:					
Public Works	\$150,291	\$150,291	\$150,291	\$150,291	\$150,291
Capital Recovery Fees	8,964,345	1,800,000	1,300,000	1,300,000	1,800,000
Reclaimed Utility Fund	0	0	0	0	0
TOTAL TRANSFERS IN:	\$9,114,636	\$1,950,291	\$1,450,291	\$1,450,291	\$1,950,291
TOTAL AVAILABLE FUNDS:	\$200,466,992	\$205,935,103	\$222,123,521	\$216,105,431	\$238,769,497
OPERATING REQUIREMENTS					
Operations and Maintenance					
Treatment	\$28,418,932	\$29,038,331	\$32,364,226	\$33,264,554	\$36,020,347
Pipeline Operations	14,547,628	13,190,934	14,536,498	14,647,409	16,260,815
Engineering Services	5,717,303	5,835,252	6,440,203	6,013,098	7,014,952
Water Resources Management	1,855,677	1,979,439	2,224,054	2,296,524	2,564,670
Environmental Affairs & Conservation	1,881,335	1,969,785	1,872,832	1,842,968	2,181,443
Support Services - Utility	8,089,266	7,934,261	8,380,249	8,772,716	9,657,851
Reclaimed Water Services	0	0	0	0	0
One Stop Shop	296,372	335,680	353,186	353,186	387,789
Other Operating Expenses	2,402,216	2,371,864	2,892,292	2,864,110	2,970,126
Total Operations & Maintenance	\$63,208,729	\$62,655,546	\$69,063,540	\$70,054,565	\$77,057,993
(%RR)	32.2%	28.9%	30.2%	30.7%	34.3%
Other Requirements:					
Accrued Payroll	\$178,278	\$120,083	\$94,933	\$106,189	\$160,510
27th Pay Period Expense	0	1,385,569	0	0	0
27th Pay Period Expense Refund	0	(1,442,998)	0	0	0
Workers' Compensation Fund	488,529	526,336	511,201	511,201	597,516
Liability Reserve Fund	310,000	310,000	275,000	275,000	250,000
Administrative Support - City	3,277,205	3,151,132	3,454,056	3,454,056	4,822,928
AE Billing & Customer Care	4,050,225	5,339,930	5,982,441	5,982,441	6,129,251
311 System Support	500,000	500,000	500,000	500,000	500,000
CTM Support	2,087,332	2,119,085	1,562,614	1,562,614	1,723,698
CTECC Emergency Operations Center	0	3,845	2,997	2,997	3,558
Wage Adjustments Market Study	0	0	270,379	0	0
Additional Contribution to Retirement	1,026,811	1,543,602	2,206,545	2,206,545	0
Total Other Requirements:	\$11,918,380	\$13,556,584	\$14,860,166	\$14,601,043	\$14,187,461
TOTAL OPERATING REQUIREMENTS:	\$75,127,109	\$76,212,130	\$83,923,706	\$84,655,608	\$91,245,454
(%RR)	38.2%	35.2%	36.7%	37.0%	40.6%
DEBT SERVICE:					
Revenue Bond Debt Service	\$78,359,259	\$84,148,089	\$92,356,082	\$91,794,560	\$99,125,042
Commercial Paper Debt Service	237,676	208,851	322,410	236,283	72,955
Contract Bond Debt Service	606,181	0	0	0	0
General Obligation Debt Service	2,755,769	2,965,505	3,144,330	3,112,124	2,870,579
Water District Bonds	952,815	787,224	453,110	453,110	450,631
TOTAL DEBT SERVICE:	\$82,911,700	\$88,109,649	\$96,275,932	\$95,596,057	\$102,519,207
(%RR)	42.2%	40.6%	42.1%	41.8%	45.7%
TRANSFERS OUT:					
Capital Improvements Program	\$21,340,000	\$34,190,000	\$29,300,000	\$29,300,000	\$10,000,000
General Fund	14,707,299	15,777,461	16,172,575	16,172,575	16,802,030
Revenue Stability Reserve Fund	0	0	0	0	0
Radio Communications Fund	132,239	143,736	180,989	180,989	192,469
Sustainability Fund	2,051,767	2,041,506	2,206,732	2,206,732	2,368,192
Reclaimed Utility Fund	0	0	0	0	960,000
Economic Incentives Reserve Fund	0	166,667	166,667	166,667	166,667
Public Improvement District	37,500	37,500	37,500	37,500	37,500
Transfer to PARD CIP-Swimming Pools	0	0	0	0	0
Environmental Remediation Fund	120,750	120,750	182,096	182,096	182,096
TOTAL TRANSFERS OUT:	\$38,389,555	\$52,477,620	\$48,246,559	\$48,246,559	\$30,708,954
(%RR)	19.5%	24.2%	21.1%	21.1%	13.7%
TOTAL REQUIREMENTS:	\$196,428,364	\$216,799,399	\$228,446,197	\$228,498,224	\$224,473,615
EXCESS / (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS:	\$4,038,628	(\$10,864,296)	(\$6,322,676)	(\$12,392,793)	\$14,295,882
ADJUSTMENT TO GAAP	\$1,037,284	\$747,859	\$0	\$0	\$0
ENDING BALANCE:	\$39,535,751	\$29,419,314	\$18,555,957	\$17,026,521	\$31,322,403
Wastewater Rate Increases	3.3%	3.6%	3.5%	3.5%	6.0%
Debt Service Coverage Ratio			1.50	1.43	1.49

3

(%RR) = Percentage of Total Operating Requirements

Option 30 Water Cost Allocation Report 4562

Footnote #43

Question 6

John Carlton 10/30/2012 RFI
Water Operating Budget
Fund Summary Excerpts

	Actual 2009-10	Actual 2010-11	Variance 2010 to 2011	Comments
TRANSFERS OUT:				
Capital Improvements Program	\$5,120,000	\$15,665,000	\$10,545,000	See Response to Question 4d.
General Fund	14,260,165	15,485,864	1,225,699	Increase tied to Financial Policy. See calculation below.
Revenue Stability Reserve Fund	0	0	0	NA
Radio Communications Fund	132,239	143,736	11,497	The Wireless Communication Services Fund maintains a high measure of reliability for users of the Regional Radio System within Austin/Travis County, Williamson County and other jurisdictions. The Wireless Communications program also provides services to public safety vehicles for installation and repairs to voice radios, data radios, sirens, emergency lighting, and automatic vehicle locations devices. The increase is due to cost drivers such as Pay for Performance, insurance, and retirement.
Sustainability Fund	2,092,834	2,179,607	86,773	1.0% of Proposed Revenue. See calculation below.
Reclaimed Utility Fund	0	0	0	NA
Economic Incentives Reserve Fund	0	166,666	166,666	The Economic Incentives Reserve Fund was established to separately identify and monitor the economic incentive agreements the City maintains. The agreements originate through the establishment of performance based Chapter 380 economic development grants, redevelopment agreements, and other agreements authorized by City Council. The agreements are established on the grounds that they provide higher levels of employment, economic activity, and stability. The Economic Incentive Reserve Fund has two components, the incentive grants and the economic incentive program. The Economic Incentives Reserve Fund is funded by transfers from the General Fund, Austin Energy and Austin Water Utility. The total AWU transfer in FY 2011 was \$333,333 (water portion 50%, or \$166,666). The Public Improvement District transfer is the contribution AWU makes to the Downtown Austin Alliance. The amount that is transferred was set at the time the contract was signed, so AWU's contribution amount each year is based upon that.
Public Improvement District	37,500	37,500	0	During the FY 2000-01 budget adoption, the Conservation, Rebates and Incentives Fund began transferring to the Parks & Recreation Department (PARD) for swimming pool maintenance. The closing of City's 'fill & draw' pools due to water restrictions prompted City leaders/Politicians to provide funding from the Conservation Rebates & Incentives fund to repurpose those pools to recirculating splash pads, and other water savings ideas. Austin Water Utility funds the Conservation Rebates and Incentive Fund.
Transfer to PARD CIP-Swimming Pools	100,000	100,000	0	The Austin Water Utility, Watershed Protection, and Austin Resource recovery contribute \$241,500 annually (50%, or \$120,750 from the water fund) to the Environmental Remediation Fund. The purpose of this fund is to provide for remediation of sites, such as closed landfills and abandoned storage tanks, which could affect ground and surface water quality or public health and safety. Use of these funds will be limited to those sites for which the City has either partial or total liability. The City utilizes this fund for payment of debt service for bonds issued to fund remediation projects as well as to fund city-wide contracts for remediation and disposal of hazardous waste found abandoned on City property and right-of-way.
Environmental Remediation Fund	120,750	120,750	0	
<i>Ties to Hazmat</i>				
TOTAL TRANSFERS OUT	\$21,863,488	\$33,899,123	\$12,035,635	
	Actual 2010-11	Approved Budget & Actual 2011-12	Variance 2011 to 2012	Comments
TRANSFERS OUT:				
Capital Improvements Program	\$15,665,000	\$20,600,000	\$4,935,000	See Response to Question 4d.
General Fund	15,485,864	15,746,956	261,092	Increase tied to Financial Policy. See calculation below.
Revenue Stability Reserve Fund	0	0	0	NA
Radio Communications Fund	143,736	180,989	37,253	The increase is due to cost drivers such as Pay for Performance, insurance, retirement as well as increased need to fund critical replacements of public safety equipment.
Sustainability Fund	2,179,607	2,372,240	192,633	1.0% of Proposed Revenue. See calculation below.
Reclaimed Utility Fund	0	0	0	NA
Economic Incentives Reserve Fund	166,666	166,666	0	NA
Public Improvement District	37,500	37,500	0	NA
Transfer to PARD CIP-Swimming Pools	100,000	100,000	0	NA
Environmental Remediation Fund	120,750	182,095	61,345	Increase for additional environmental remediation projects. \$61,533 (split 50/50 w/www) for Rosewood / Loop 360 and \$61,158 for Harold Court (split 50/50). Water Fund 50%, or \$61,345. Payment for 20 years.
TOTAL TRANSFERS OUT	\$33,899,123	\$39,386,446	\$5,487,323	
	Approved Budget & Actual 2011-12	Proposed Budget 2012-13	Variance 2012 to 2013	Comments
TRANSFERS OUT				
Capital Improvements Program	\$20,600,000	\$48,000,000	\$27,400,000	See Response to Question 4d.
General Fund	15,746,956	17,722,306	1,975,350	Increase tied to Financial Policy. See calculation below.
Revenue Stability Reserve Fund	0	5,516,300	5,516,300	New City Council approved Financial Policy

Radio Communications Fund	180,989	192,470	11,481	The increase is due to cost drivers such as Pay for Performance, insurance, retirement and increases in hardware and software contracts that maintain the City's 911 recording system, and for the broadband activation of radio devices.
Sustainability Fund	2,372,240	2,346,374	(25,866)	1.0% of Proposed Revenue. See calculation below.
Reclaimed Utility Fund	0	960,000	960,000	Reclaimed Utility separated into new fund. In lieu of reclaimed subsidy within water and wastewater funds, a new Transfer Out requirement will track known subsidy. The reclaimed water system provides water conservation and deferred treatment capacity expansion in future years.
Economic Incentives Reserve Fund	166,666	166,666	0	NA
Public Improvement District	37,500	37,500	0	NA
Transfer to PARD CIP-Swimming Pools	100,000	100,000	0	NA
Environmental Remediation Fund	182,095	182,095	0	NA
TOTAL TRANSFERS OUT:	\$39,386,446	\$75,223,711	\$35,837,265	

	Proposed 2012-13	Approved Budget 2012-13	Variance Proposed vs. Approved	Comments
TRANSFERS OUT:				
Capital Improvements Program	\$48,000,000	\$48,000,000	\$0	
General Fund	17,722,306	17,722,306	0	
Revenue Stability Reserve Fund	5,516,300	5,516,300	0	
Radio Communications Fund	192,470	192,470	0	
Sustainability Fund	2,346,374	2,545,077	198,703	1.0% of Proposed Revenue. See calculation below.
Reclaimed Utility Fund	960,000	960,000	0	
Economic Incentives Reserve Fund	166,666	166,666	0	
Public Improvement District	37,500	37,500	0	
Transfer to PARD CIP-Swimming Pools	100,000	100,000	0	
Environmental Remediation Fund	182,095	325,595	143,500	The Rosewood Remediation CIP project needed \$860,000 in funds. Additional transfer requested by Budget Office from Austin Resource Recovery, Austin Water Utility, and Watershed Protection departments for FY 2013 to cover the costs of the project, in lieu of a reimbursement resolution. AWU allocation \$287,000. Water fund 50%, or additional \$143,500.
TOTAL TRANSFERS OUT	\$75,223,711	\$75,565,914	\$342,203	

Footnote #44

16 ~~4280~~
Radio
Fund

WIRELESS COMMUNICATION SERVICES FUND

	2009-10 ACTUAL	2010-11 ACTUAL	2011-12 AMENDED	2011-12 ESTIMATED	2012-13 APPROVED
BEGINNING BALANCE	334,282	539,695	323,015	477,804	1,645,778
REVENUE					
Trunked Radio Interlocal A/R	363,639	255,479	425,468	350,644	351,179
Indirect Cost Recovery	2,319,835	2,738,056	3,308,982	3,227,356	3,517,254
Other Revenue	1,327,248	2,005,629	1,827,166	1,898,000	1,801,849
Interest	3,467	3,634	5,400	2,700	2,700
TOTAL REVENUE	4,014,189	5,002,798	5,567,016	5,478,700	5,672,982
TRANSFERS IN					
General Fund	1,602,639	1,741,976	3,250,406	3,250,406	1,699,943
Support Services/Infrastructure Funds	123,717	134,021	343,897	322,200	365,094
Austin Energy	304,176	330,621	299,758	299,758	311,703
Austin Water	264,478	287,472	361,978	361,978	384,939
Aviation	103,846	112,874	89,190	89,190	120,225
Convention Center	74,927	81,441	86,838	86,838	96,860
Austin Resource Recovery	105,949	115,160	105,840	105,840	106,598
Enterprise Funds	49,688	54,008	199,027	199,027	193,456
TOTAL TRANSFERS IN	2,629,420	2,857,573	4,736,934	4,715,237	3,278,818
TOTAL AVAILABLE FUNDS	6,643,609	7,860,371	10,303,950	10,193,937	8,951,800
OPERATING REQUIREMENTS					
Wireless Communications	6,318,251	7,798,979	9,926,569	8,329,883	9,251,568
TOTAL OPERATING REQUIREMENTS	6,318,251	7,798,979	9,926,569	8,329,883	9,251,568
OTHER REQUIREMENTS					
Market Adjustment	0	0	4,316	0	0
Compensation Adjustment	198	1,990	2,470	2,470	2,470
Accrued Payroll	30,400	19,579	7,477	7,477	14,921
27th Payroll Funding	0	(105,733)	0	0	0
27th Payroll Expense	0	111,028	0	0	0
Additional Retirement Contribution	75,666	117,734	163,827	163,827	0
TOTAL OTHER REQUIREMENTS	106,264	144,598	178,090	173,774	17,391
TRANSFERS OUT					
Workers Compensation	34,564	36,769	36,306	36,306	43,594
Liability Reserve	1,000	1,000	1,000	1,000	1,000
CTM CIP	0	0	485,000	485,000	1,284,025
TOTAL TRANSFERS OUT	35,564	37,769	522,306	522,306	1,328,619
TOTAL REQUIREMENTS	6,460,079	7,981,346	10,626,965	9,025,963	10,597,578
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	183,530	(120,975)	(323,015)	1,167,974	(1,645,778)
ADJUSTMENT TO GAAP	21,883	59,084	0	0	0
ENDING BALANCE	539,695	477,804	0	1,645,778	0

Footnote #45

WATER

LINE	BFY	FUND	DEPT	UNIT	Item	Object	Object Name	AMOUNT	REF#	JUSTIFICATION
2851	2013	5020	2200	6245	Retail Customer Service	7500	Office supplies	2,000		Budge from 6245 and 8645 for FY12
2852	2013	5020	2200	6245	Retail Customer Service	7610	Minor computer hardware	292		Replace 1 computer monitors - old monitors are wearing out
2853					Retail Customer Service Total			476,398	2-101	
2854	2013	5020	2200	6801	Utility Customer Service Costs	6241	Interdept-Utility billing	12,366,897		FY 13 FYFF 5-1-2012
2855					Utility Customer Service Costs Total			12,366,897	2-102	
2856	2013	5020	2200	6802	Bad Debt	6898	Bad debt expense	925,000		4-24-2011 \$65K each fund \$130K total reduction
2857					Bad Debt Total			925,000	2-103	
2858	2013	5020	2200	6804	Commission on Debt	8312	Util rev bnd commission exp	20,000		
2859	2013	5020	2200	6804	Commission on Debt	8316	Arbitrage rebate-admin exp	10,250		
2860					Commission on Debt Total			30,250	2-104	
2861	2013	5020	2200	6806	Special Support	5114	Skill based pay	75,000		Per David 5-21-2012 email
2862	2013	5020	2200	6806	Special Support	5280	Consultant-others	50,000		
2863	2013	5020	2200	6806	Special Support	5515	Services-appraisal	7,500		appraisal and closing costs
2864	2013	5020	2200	6806	Special Support	5525	Services-auditing	50,000		5-27-2011, \$50K per deduction detail.
2865	2013	5020	2200	6806	Special Support	5570	Services-court costs	1,444		
2866	2013	5020	2200	6806	Special Support	5620	Services-legal fees	150,000		TCEQ rate issue per T Lutes
2867	2013	5020	2200	6806	Special Support	5620	Services-legal fees	50,000		outside legal per B Jennings
2868	2013	5020	2200	6806	Special Support	5620	Services-legal fees	100,000		additional legal fees for water items
2869	2013	5020	2200	6806	Special Support	5700	Services-survey	5,000		surveys & appraisals for 1 transaction per BJ e mail
2870	2013	5020	2200	6806	Special Support	5860	Services-other	837,280		Amount include \$15,000 closing fee to purchase other Utility.
2871	2013	5020	2200	6806	Special Support	5860	Services-other	4,820		\$40,000 settlement fee (\$400 Per connection, 100 connections) in 8806
2872	2013	5020	2200	6806	Special Support	5860	Services-other	80,648		Conflict Resolution
2873	2013	5020	2200	6806	Special Support	6124	Rental-copy machines	61,458		Lobbyists for Legislature (Pope, Johnson, Greytak)
2874	2013	5020	2200	6806	Special Support	6165	Water service	16,177		budget for all of the Copier Rental Fees in the Waller Creek Division.
2875	2013	5020	2200	6806	Special Support	6179	Water Services Interlocal	295,000		Payment to City of Round Rock for use of their hydrant to supply water to a subdivision in our ETJ
2876	2013	5020	2200	6806	Special Support	6203	Interdept charges	24,493		Per Glenlake Agreement, budget \$ 295,000 per year to cover the cost of purchasing wholesale water from Riverplace. SF 5-16-2012
2877	2013	5020	2200	6806	Special Support	6203	Interdept charges	17,536		5-30-2012, per Deduction Detail 6806/8806 total \$48,985.
2878	2013	5020	2200	6806	Special Support	6203	Interdept charges	222,515		Claims Investigator TARA 1/2 to Unit 6806 and 1/2 to Unit 8806
2879	2013	5020	2200	6806	Special Support	6203	Interdept charges	31,583		Energy-Efficient Lighting Retrofit Loan Payment for Water Plants, Maps & Records, SSC, & Waller Crk Payable to AE.
2880	2013	5020	2200	6806	Special Support	6203	Interdept charges	10,726		5-30-2012 per Robert Menchaca, Hazmat for AFD to prevent hazardous materials from going into the wastewater/water systems.
2881	2013	5020	2200	6806	Special Support	6203	Interdept charges	12,500		6-6-2012 Per Deduction Detail cost of ACM position.
2882	2013	5020	2200	6806	Special Support	6203	Interdept charges	70,906		FLEXTRA charges
2883	2013	5020	2200	6806	Special Support	6203	Interdept charges	500,000		CTM easement management system gap analysis
2884	2013	5020	2200	6806	Special Support	6203	Interdept charges	35,724		5-30-2012 Per Diane Harrison Attorney on AWU legal issues
										311 System Support FY 13 FYFF 5-1-2012
										Support new Chief Environmental Officer Total \$142,895, AWU \$71,448, (5020-\$35,724; 5030-\$35,724)

Austin Water Utility
Request for Production 3
Table 54 - Support Detail

Ww

LN#	FY	Fund	Dept	Unit	Item	Object	Object Name	AMOUNT	RRP#	JUSTIFICATION
2748	2013	5030	2200	8806	Special Support	6203	Interdepl charges	222,515		5-30-2012 per Robert Menchaca, Hazmat for AFD to prevent hazardous materials from going into the wastewater/water systems.
2749	2013	5030	2200	8806	Special Support	6203	Interdepl charges	31,583		6-6-2012 Per Deduction Detail cost of ACM position.
2750	2013	5030	2200	8806	Special Support	6203	Interdepl charges	7,801		FLEXTRA charges
2751	2013	5030	2200	8806	Special Support	6203	Interdepl charges	12,500		CTM easement management system gap analysis
2752	2013	5030	2200	8806	Special Support	6203	Interdepl charges	70,905		5-30-2012 Per Diane Harrison Attorney on AWU legal issues
2753	2013	5030	2200	8806	Special Support	6203	Interdepl charges	500,000		311 System Support FY 13 FYFF 5-1-2012
2754	2013	5030	2200	8806	Special Support	6203	Interdepl charges	35,724		Support new Chief Environmental Officer Total \$142,895, AWU \$71,448, (5020-\$35,724; 5030-\$35,724)
2755	2013	5030	2200	8806	Special Support	6203	Interdepl charges	6,029		Wireless broadband service admin costs Per Deduction Detail \$12,058 total 50/50 W/WW. 5-1-2012
2756	2013	5030	2200	8806	Special Support	6203	Interdepl charges	33,524		6-6-2012 Per Budget Office deduction detail for Dana Eskew
2757	2013	5030	2200	8806	Special Support	6234	Interdepl CTECC	3,558		FY 13 FYFF 5-1-2012
2758	2013	5030	2200	8806	Special Support	6240	Interdepl data systems	1,723,698		FY 13 FYFF 5-1-2012
2759	2013	5030	2200	8806	Special Support	6242	Interdepl-Admin.Support	4,822,928		FY 13 FYFF 5-1-2012, including Contract Management and Real Estate office transfer
2760	2013	5030	2200	8806	Special Support	6250	Fleet-equip.preventative	1,741		Per Fleet 5-22-2012
2761	2013	5030	2200	8806	Special Support	6255	Transportation-city veh fuel	2,823		Per Fleet 5-22-2012
2762	2013	5030	2200	8806	Special Support	6324	Insurance-all risk-gen lib	658,000		Per Actual FY 10 Spending, total ww & www property insurance. Insurance Utility-Wide
2763	2013	5030	2200	8806	Special Support	6325	Insurance-bond/theft/prof l	2,552		Insurance 5-10-2010
2764	2013	5030	2200	8806	Special Support	6363	Structured settlements	40,000		Theft Insurance at Waller Creek Center \$40 per connection for Hornsby Bend Utilities per BJ
2765	2013	5030	2200	8806	Special Support	6388	Maintenance-computer software	8,290		eCareer Admin Fee per Deduction detail (\$5,040) plus GOTOMYPC Licenses
2766	2013	5030	2200	8806	Special Support	6418	Mail distribution cost	5,500		Interoffice Mail distribution
2767	2013	5030	2200	8806	Special Support	6853	Credit Card Admin Fees	1,000		Administrative fees for bill payers who pay their Utility bills with credit cards.
2768	2013	5030	2200	8806	Special Support	6870	Prior service contribution	468		Per City HRD
2769	2013	5030	2200	8806	Special Support	6871	Federal unemployment tax	16,710		Unemployment Taxes
2770	2013	5030	2200	8806	Special Support	7454	Educational/promotional	1,444		Participation in the Black History month celebration
2771	2013	5030	2200	8806	Special Support	7454	Educational/promotional	480		Participation in the Asian-American conference
2772	2013	5030	2200	8806	Special Support	7580	Software	1,636		Go to MY PC Licenses
2773	2013	5030	2200	8806	Special Support	7580	Software	150,000		Microcomputer Application Software \$300K per year, 150K W/WW each.
2774					Special Support Total			9,072,463		

Footnote #46

RESOLUTION NO. 20110922-052

WHEREAS, weather volatility results in significant revenue volatility for the Austin Water Utility; and

WHEREAS, the majority of Austin Water Utility costs are fixed, which makes the operational budget of the utility highly susceptible to revenue volatility; and

WHEREAS, as part of the Fiscal Year (FY) 2012 Annual Budget, the Austin Water Utility established the Revenue Stability Fund, a reserve fund, to mitigate the impacts of revenue fluctuations due to weather volatility; and

WHEREAS, to fund the Revenue Stability Fund, the Austin City Council adopted the Revenue Stability Fee with a fixed rate of \$4.40 per 5/8" meter customer per month, with related fees for other Austin Water Utility customers; and

WHEREAS, the fixed Revenue Stability Fee is regressive, whereby low-water users absorb a higher percentage increase to their

water bill than high-water users, and thus is a disincentive to water conservation; and

WHEREAS, it is the intent of the Austin City Council to establish a graduated, progressively-based Revenue Stability Fee which increases with water usage as a means to further encourage water conservation; and

WHEREAS, as part of the initiative to provide more financial sustainability to the operational budget of the Austin Water Utility, the utility also must address its debt-to-service ratio and other financial reserve policies; and

WHEREAS, an estimate for the earliest possible date to adjust fees to a graduated, progressively-based fee structure is April 2012 which is approximately 6 months after the initiation of the City's new billing system; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the City Manager is directed to work with a Joint Subcommittee of the Resource Management Commission, the Water and Wastewater Commission, and the Impact Fee Advisory Commission, with input from the public, to develop recommendations for short-term

and long-term financial plans to strengthen the financial stability of Austin Water Utility, to include the following:

1. Financial policies for the implementation of a separate Revenue Stability Reserve Fund with appropriate target funding levels, including:

- A plan to fund the target levels over a period of time, using a graduated revenue stability fee to replace the Council-approved fee in the approved FY 2012 Annual Budget;
- Policies to adjust the revenue stability fee when target funding levels are met and for replacing any reserves that are used;
- Consideration of the inclusion of a fee for all classes of water customers;
- A water conservation program and marketing plan targeted to high-volume, low-income households that do not qualify for a revenue stability fee exemption;
- Consideration of options for addressing volatility through volumetric rates and structures based on practices by other utilities.

2. Overall fixed revenue goals as a percentage of total revenue and a phased approach to achieving the goals; and

3. A reassessment and adjustment, as needed, of financial policies related to debt ratios and other appropriate financial metrics, as well as water and wastewater impact fees, and a plan to meet targeted goals.

BE IT FURTHER RESOLVED:

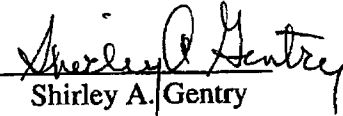
That the City Manager present recommendations to the Audit and Finance Committee by April 15, 2012 and to the City Council by May 1, 2012.

BE IT FURTHER RESOLVED:

That the Joint Subcommittee of the Resource Management Commission, the Water and Wastewater Commission and the Impact Fee Advisory Commission provide the City Council with a review of the staff recommendation to Council by May 1, 2012. The City Manager shall provide bimonthly progress reports to the City Council.

ADOPTED: September 22, 2011

ATTEST:


Shirley A. Gentry
City Clerk



Contact	Jobs	Report Leaks	Report Water Waste	Customer Service	Translate
Residents	Commercial	Conservation	Water Treatment Plant 4	Water Quality	
Environmental Protection	General Info				

JOINT COMMITTEE MEMBERS

Contact information for all members of the Joint Committee on Austin Water Utility Financial Plan

Sarah Faust, Water & Wastewater Commission Contact Phone: (512) 415-7781 E-mail Address: sarah.b.faust@gmail.com
Nominated by: Council Member Laura Morrison

Mickey Fishbeck, Water & Wastewater Commission Contact Phone: (512) 442-1435 E-mail Address: rimrok@earthlink.net
Nominated by: Council Member Chris Riley

Chien Lee, Water & Wastewater Commission Contact Phone (512) 642-3292 E-mail Address: chienenlee2005@yahoo.com
Nominated by: Mayor Lee Leffingwell

Sean Kelly, Resource Management Commission Contact Phone: (512) 912-8096 E-mail Address: SEKELLY@TCEQ.STATE.TX.US Nominated by: Council Member Bill Spelman

Luke Metzger, Resource Management Commission Contact Phone. (512) 479-0388 E-mail Address: luke@environmenttexas.org Nominated by: Council Member Laura Morrison

J.R. (Hank) Kidwell, Chair, Impact Fee Advisory Committee Contact Phone: (512) 327-9204 E-mail Address: jkidwell@murfee.com Nominated by: Mayor Lee Leffingwell

Brian Rodgers, Impact Fee Advisory Committee Contact Phone. (512) 366-5000 E-mail Address: pbrodgers@austin.rr.com
Nominated by: Council Member Laura Morrison

Kris Bailey, Impact Fee Advisory Committee Contact Phone: (512) 351-1323 E-mail Address: krisbailey2010@gmail.com
Nominated by: Council Member Kathie Tovo

City Contacts: Mike Castillo, 512-972-0332 Felicia Cancino, 512-972-0114

Share    



Austin Water Utility is owned and operated by the City of Austin, Texas.



Get information about the upcoming 10-one elections: www.austintexas.gov/10-one

Footnote #47

Joint Committee Final Budget Reduction Recommendations

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Revised FY 2015 Proposed Budget	Reduction Description	Service Level Impacts
------	------	-------------	-----------------------	------------------------	-------------------------	---------------------------	---------------------------------	-----------------------	-----------------------

Additional Revenue

1			Green WTP Decommission Reimbursement			\$11,700,000			None
2			Property Sale - Lime creek quarry			\$4,000,000			None

Total Additional Revenue

\$15,700,000

Transfers to Other Departments

1			Sustainability Fund	\$4,943,426	\$5,504,095	(\$5,504,095)	\$0	Eliminate Sustainability Fund transfer	None
2			AE Power Costs (Green Choice)	\$22,128,826	\$22,099,159	(\$1,500,000)	\$20,599,159	Switch to consolidated Green Choice rate	None
3			AE Billing and Customer Care	\$17,209,766	\$16,698,272	(\$1,488,505)	\$17,209,766	Maintain AE costs at 2014 level	None
4			Transfer to APD	\$1,241,943	\$1,241,943		\$0	Eliminate APD transfer	None
5			Administrative Support - City	\$13,128,585	\$14,439,243	(\$921,853)	\$13,517,390	Budget Office reduction	None
6			Transfer to CTM	\$3,546,544	\$3,901,198	(\$445,050)	\$3,455,342	Maintain CTM transfer at 2014 level	None
7			Transfer to AFD	\$445,030	\$445,030		\$0	Eliminate AFD transfer	None
8			Economic Incentives Reserve Fund	\$333,333	\$333,333		\$0	Eliminate Economic Incentives Reserve Fund	an impact of possibly less funding for providing incentives for new customers of AWU

Total: Transfers to Other Departments

(\$1,880,616)

Utility Wide Budget Reductions

1			Move direct labor cost to CIP	\$0	\$0		(\$4,000,000)	Reclass direct labor cost to CIP	None
2			Reductions in vacant FTEs	\$930,771	\$930,771		\$0	Eliminate 9 Vacant PCNs	Minimal impact to various service levels
3			Temporary Employees	\$1,073,347	\$901,398	(\$1,073,347)	\$0	Eliminate all temporary employees	Minimal impact to various service levels
4			Personnel Savings	(\$5,885,431)	(\$5,985,431)		(\$6,726,612)	Increase vacancy savings	Vacancies expected to remain at an 8% vacancy rate.
5			Funding for 2 other dept employees	\$174,590	\$174,590		\$0	Stop funding for 2 other dept employees	Minimal impact to various service levels
6			Small Tool/Minor Equipment	\$1,097,805	\$1,064,815	(\$1,097,805)	\$958,334	10% reduction to small tool/equipment	Minimal impact to various service levels
7			Award and Recognition (CORE)	\$75,228	\$75,358		\$0	Eliminate CORE Program (\$65 Per employee)	No service level impact but has impact on employee morale
8			Office Supplies	\$215,946	\$225,876		(\$22,588)	10% reduction to office supplies	Minimal impact to various service levels

Total: Utility Wide Budget Reductions

(\$6,954,367)

Treatment Budget Reductions

1			5030	6033	5650	Svcs-Bio-Solid ReUse	\$4,350,000	\$4,350,000	(\$1,350,000)	\$3,000,000	Reduce use of contract for biosolids land application and on-site composting	Will not reduce stockpile of biosolids on schedule planned. Risks include compost fires, operational restrictions, and permit issues for storage of biosolids.
2			5020	6031	5860	Svcs-Other	\$290,000	\$960,000	(\$550,000)	\$40,000	Remove hydroblasting at UWTP and remove repairs to LSFS #4	Hydroblasting decales basin structures-had a universal support system fail due to weight-could happen again. LSFS #4-the 25 year old pump is operating but off the curve and only at 75% efficiency impacting power and ability to meet maximum demands.
3			5020	Various	6180	Electric Services	\$14,096,015	\$13,619,402	(\$330,714)	\$13,288,688	Assumed less pumpage so reduced electricity	Assumes less production. Electric use is not 1" with production. Cut may already be too much.
4			5020/5030	6022/8052	6383	Maintenance-Other Equipment	\$82,284	\$235,284	(\$188,000)	\$47,284	Eliminated a centrifuge rebuild at Davis WTP	Reduce outsourcing of equipment maintenance. May lead to higher failure rate.
5			5020	Various	7134	Chemicals	\$6,152,228	\$5,355,378	(\$130,059)	\$5,225,319	Assumed less pumpage so reduced chemicals over budget	Assumes less production. If production is higher, will go over budget

Footnote #48

WATER

LN#	FY	Fund	Dept	Unit	Item	Object	Object Name	AMOUNT	REF#	JUSTIFICATION
2209	2013	5020	2200	6004	Security Management	5051	Personnel savings	(4,363)		
2210	2013	5020	2200	6004	Security Management	5133	Phone allowance	210		
2211	2013	5020	2200	6004	Security Management	5185	Insurance-health/life/dental	10,956		
2212	2013	5020	2200	6004	Security Management	5190	FICA tax	4,348		
2213	2013	5020	2200	6004	Security Management	5190	FICA tax	129		
2214	2013	5020	2200	6004	Security Management	5191	Medicare tax	1,017		
2215	2013	5020	2200	6004	Security Management	5191	Medicare tax	30		
2216	2013	5020	2200	6004	Security Management	5196	Contribution to employees ret	12,492		
2217	2013	5020	2200	6004	Security Management	5196	Contribution to employees ret	374		
2218	2013	5020	2200	6004	Security Management	5675	Services-security	10,000		
2219	2013	5020	2200	6004	Security Management	5675	Services-security	869,360		APD Deduction Detail for Homeland Security. Per Jane 05/23/11 Water = 70% (18 of 26 sites) Security Guard Services - These funds will be used to hire / pay for additional security guard services throughout the year in exigent situations (e.g. threats to AWU employee s, and/or facilities)
2220	2013	5020	2200	6004	Security Management	5860	Services-other	5,000		FY 13 Budget for vehicle preventative maintenance per Fleet, 5/23/12, RB
2221	2013	5020	2200	6004	Security Management	6250	Fleet-equip.preventative maint	5,741		
2222	2013	5020	2200	6004	Security Management	6255	Transportation-city veh fuel	4,029		
2223	2013	5020	2200	6004	Security Management	6551	Mileage reimbursements	125		
2224	2013	5020	2200	6004	Security Management	6632	Memberships	150		
2225	2013	5020	2200	6004	Security Management	6633	Subscriptions	150		
2226	2013	5020	2200	6004	Security Management	7478	Clothing/clothing material	600		
2227	2013	5020	2200	6004	Security Management	7482	Food/dice	125		
2228	2013	5020	2200	6004	Security Management	7500	Office supplies	250		
2229	2013	5020	2200	6004	Security Management	7580	Software	400		For replacement computer
2230	2013	5020	2200	6004	Security Management	7600	Small tools/minor equipment	5,250		
2231	2013	5020	2200	6004	Security Management	7601	Safety equipment	250		
2232	2013	5020	2200	6004	Security Management	7603	Security equipment	5,000		
2233	2013	5020	2200	6004	Security Management	7610	Minor computer hardware	300		For replacement computer
2234					Security Management Total			1,053,904	2-85	
2235	2013	5020	2200	6248	Facility Services Water	5001	Regular wages - full-time	153,280		
2236	2013	5020	2200	6248	Facility Services Water	5001	Regular wages - full-time	4,601		
2237	2013	5020	2200	6248	Facility Services Water	5005	Overtime	1,581		
2238	2013	5020	2200	6248	Facility Services Water	5028	Stability pay	3,912		
2239	2013	5020	2200	6248	Facility Services Water	5051	Personnel savings	(10,725)		
2240	2013	5020	2200	6248	Facility Services Water	5133	Phone allowance	540		
2241	2013	5020	2200	6248	Facility Services Water	5185	Insurance-health/life/dental	43,824		
2242	2013	5020	2200	6248	Facility Services Water	5190	FICA tax	9,783		
2243	2013	5020	2200	6248	Facility Services Water	5190	FICA tax	287		
2244	2013	5020	2200	6248	Facility Services Water	5191	Medicare tax	2,288		
2245	2013	5020	2200	6248	Facility Services Water	5191	Medicare tax	67		
2246	2013	5020	2200	6248	Facility Services Water	5196	Contribution to employees ret	27,596		
2247	2013	5020	2200	6248	Facility Services Water	5196	Contribution to employees ret	830		
2248	2013	5020	2200	6248	Facility Services Water	5605	Services-inspection	1,000		
2249	2013	5020	2200	6248	Facility Services Water	5610	Services-itorial	3,481		
2250	2013	5020	2200	6248	Facility Services Water	5610	Services-itorial	100,000		
								MAT & DUST MOP RENTAL CONTRACT FOR GLEN BELL SVC CTR (EST \$3,668 PER YEAR), EAST SERVICE CENTER (EST \$1,242 PER YEAR), WEBBERVILLE (EST \$2,046 PER YEAR).		

Austin Water Utility
Request for Production 3
Table 54 - Support Detail

LIN#	FY	Fund	Dept	Unit	Item	Object	Object Name	AMOUNT	RFP#	JUSTIFICATION
2055	2013	5030	2200	8004	Security Management	5675	Services-security	372,583		APD Deduction Detail for Homeland Security Per
2056	2013	5030	2200	8004	Security Management	5675	Services-security	(1,200)		Jane 05/23/11 WW = 30 % of \$1,241,943
2057	2013	5030	2200	8004	Security Management	5860	Services-other	5,000		Amended budget
2058	2013	5030	2200	8004	Security Management		Fleet-equip.preventative			
2059	2013	5030	2200	8004	Security Management	6250	maint	2,607		
2060	2013	5030	2200	8004	Security Management	6255	Transportation-city veh fuel	819		
2061	2013	5030	2200	8004	Security Management	6551	Mileage reimbursements	125		
2062	2013	5030	2200	8004	Security Management	6632	Memberships	150		
2063	2013	5030	2200	8004	Security Management	6633	Subscriptions	150		
2064	2013	5030	2200	8004	Security Management	7478	Clothing/clothing material	600		
2065	2013	5030	2200	8004	Security Management	7482	Food/ice	125		
2066	2013	5030	2200	8004	Security Management	7500	Office supplies	250		
2067	2013	5030	2200	8004	Security Management	7580	Software	400		
2068	2013	5030	2200	8004	Security Management	7600	Small tools/minor equipment	5,250		
2069	2013	5030	2200	8004	Security Management	7601	Safety equipment	250		
2070	2013	5030	2200	8004	Security Management	7603	Security equipment	5,000		
2071	2013	5030	2200	8004	Security Management	7610	Minor computer hardware	300		
					Security Management Total			549,583		
2072	2013	5030	2200	8612	Rates, Analysis & Asset Management	5001	Regular wages - full-time	232,227		
2073	2013	5030	2200	8612	Rates, Analysis & Asset Management	5001	Regular wages - full-time	6,966		
2074	2013	5030	2200	8612	Rates, Analysis & Asset Management	5026	Stability pay	3,750		
2075	2013	5030	2200	8612	Rates, Analysis & Asset Management	5051	Personnel savings	(14,700)		
2076	2013	5030	2200	8612	Rates, Analysis & Asset Management	5125	Bilingual Pay	900		
2077	2013	5030	2200	8612	Rates, Analysis & Asset Management	5125	Bilingual Pay	(900)		Per MC request
2078	2013	5030	2200	8612	Rates, Analysis & Asset Management	5133	Phone allowance	270		
2079	2013	5030	2200	8612	Rates, Analysis & Asset Management	5133	Phone allowance	30		
2080	2013	5030	2200	8612	Rates, Analysis & Asset Management	5185	Insurance-health/life/dental	38,346		
2081	2013	5030	2200	8612	Rates, Analysis & Asset Management	5190	FICA tax	14,705		
2082	2013	5030	2200	8612	Rates, Analysis & Asset Management	5190	FICA tax	433		
2083	2013	5030	2200	8612	Rates, Analysis & Asset Management	5191	Medicare tax	3,441		
2084	2013	5030	2200	8612	Rates, Analysis & Asset Management	5191	Medicare tax	102		
2085	2013	5030	2200	8612	Rates, Analysis & Asset Management	5196	Contribution to employees ret	43,634		
2086	2013	5030	2200	8612	Rates, Analysis & Asset Management	5196	Contribution to employees ret	1,255		

Footnote #49

WATER

LN#	BFY	Fund	Dept	Unit	Item	Object	Object Name	AMOUNT	RFP#	JUSTIFICATION
2251	2013	5020	2200	6248	Facility Services Water	5610	Services-lanitorial	11,520		
2252	2013	5020	2200	6248	Facility Services Water	5675	Services-security	125,000		
2253	2013	5020	2200	6248	Facility Services Water	5675	Services-security	282,500		For new contract for Security Guards at the plants. Various services required for service centers (rekeying, fence repairs, security camera repairs, etc.) With full occupation at Webberville and maintenance of HVAC units at Plants, anticipate costs to increase.
2254	2013	5020	2200	6248	Facility Services Water	5880	Services-other	8,394		
2255	2013	5020	2200	6248	Facility Services Water	5880	Services-other	14,467		
2256	2013	5020	2200	6248	Facility Services Water	6123	Rental-real estate-other	1,022		
2257	2013	5020	2200	6248	Facility Services Water	6123	Rental-real estate-other	20,984		
2258	2013	5020	2200	6248	Facility Services Water	6126	Rental-other equipment	116		Rental of specialized machinery/equipment for service centers as required. Plan to rent carpet cleaning systems to clean all carpets at Service Centers.
2259	2013	5020	2200	6248	Facility Services Water	6160	Electric services	85,489		Electrical charges for all service centers. Webberville avg \$36,348/yr; NSC avg \$19,800/yr; GBSC avg \$90,360/yr; ESC avg \$25,280/yr. Anticipate fuel charges, etc. to continue increasing.
2260	2013	5020	2200	6248	Facility Services Water	6160	Electric services	79,000		
2261	2013	5020	2200	6248	Facility Services Water	6162	Gas/heating fuels	7,883		Gas/Heating charges for Service Centers. GBSC (\$1,387/YR); ESC (\$3,825/YR); WEBBERVILLE (\$2,592/YR); NSC (\$2,952/YR). ANTICIPATE COSTS TO RISE AS FUEL CHARGES REMAIN HIGH.
2262	2013	5020	2200	6248	Facility Services Water	6162	Gas/heating fuels	750		
2263	2013	5020	2200	6248	Facility Services Water	6174	Drainage fee expense	7,742		Drainage fee paid monthly for Harold Court (\$6,975/YR), Webberville Service Centers (\$10,345/YR), GBSC (\$8,553/YR).
2264	2013	5020	2200	6248	Facility Services Water	6175	Garbage/refuse collection	180		Garbage dumpsters at service centers; ESC (\$900/YR); NSC (\$1,600/YR); WEBBERVILLE (\$1,600/YR); GBSC (2,241/YR). ADDITIONAL \$\$ FOR SPECIAL PICKUPS.
2265	2013	5020	2200	6248	Facility Services Water	6175	Garbage/refuse collection	375		Back charges from various departments (i.e., Building Services) ANTICIPATE INCREASED COSTS WITH ADDITION OF HVAC MAINTENANCE AT PLANTS & FULL OCCUPATION OF WEBBERVILLE. DEPENDENT UPON STAFFING, MAY NEED TO CALL BLDG SERVICES FOR SERVICES.
2266	2013	5020	2200	6248	Facility Services Water	6203	Interdepl charges	15,429		
2267	2013	5020	2200	6248	Facility Services Water	6203	Interdepl charges	22,071		
2268	2013	5020	2200	6248	Facility Services Water	6203	Interdepl charges	(32,500)		
2269	2013	5020	2200	6248	Facility Services Water	6245	Radio comm-r&m	21,322		
2270	2013	5020	2200	6248	Facility Services Water	6250	Fleet-equip.preventative maint	10,113		per email of 5/24/11
2271	2013	5020	2200	6248	Facility Services Water	6255	Transportation-city veh fuel	9,477		Per fleet of 5/9/11
2272	2013	5020	2200	6248	Facility Services Water	6382	Maintenance-grounds	13,800		Contract for grounds maintenance @ SESC (\$16,000/YR) & WEBBERVILLE (\$1,500/YR); PLUS ANY ADDITIONAL SERVICES AS REQUIRED.
2273	2013	5020	2200	6248	Facility Services Water	6383	Maintenance-buildings	6,014		Elevator Maint; Painting Program; Overhead Door Maint; Roof Repairs; Fire Alarm Maint; Backflow Device Inspections; & other maintenance-related services required to maintain service centers.

Austin Water Utility
Request for Production 3
Table 54 - Support Detail

LIN#	FY	Fund	Dept	Unit	Item	Object	Object Name	Amount	REP#	JUSTIFICATION
2208	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5191	Medicare tax	2,288		
2209	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5191	Medicare tax	67		
							Contribution to employees			
2210	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5196	ret	27,596		
							Contribution to employees			
2211	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5196	ret	830		
2212	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5605	Services-inspection	1,000		
										MAT & DUST MOP RENTAL CONTRACT FOR GLEN BELL SVC CTR (EST \$3,668 PER YEAR), EAST SERVICE CENTER (EST \$1,242 PER YEAR), WEBBERVILLE (EST \$2,046 PER YEAR).
2213	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5610	Services- janitorial	103,478		
2214	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5610	Services- janitorial	11,521		
2215	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5675	Services-security	125,000		
										For Increase in contract cost.
2216	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5675	Services-security	282,500		
										For new contract for Security Guards at the plants.
										Various services required for service centers (rekeying, fence repairs, security camera repairs, etc.)
2217	2013	5030	2200	8248	Facility Management - GBSC, Webberville	5860	Services-other	18,486		
2218	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6123	Rental-real estate-other	22,006		
										Rental of specialized equipment for maintenance of facilities
2219	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6126	Rental-other equipment	116		
										Increase anticipated due to additional occupation at Webberville
2220	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6160	Electric services	164,148		
2221	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6162	Gas/heating fuels	3,250		
										Gas payments for GBSC, Webb, ESC
2222	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6174	Drainage fee expense	16,404		
2223	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6175	Garbage/refuse collection	32,897		
										Drainage fee expenses for ESC, Webberville, GBSC
										Dumpsters at service centers
										Per FY 2012 Deduction Detail provided by David Acuna; Pest Control for 6101 & 6301 Harold Court. fma 06/01/11
2224	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6203	Interdepl charges	15,429		
										For increase in work to be done by Building Services.
2225	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6203	Interdepl charges	22,071		
2226	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6203	Interdepl charges	32,500		
2227	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6245	Radio comm-r&m	21,322		
2228	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6382	Maintenance-grounds	12,500		
										Contracts for maintenance of service centers: Elevator, Overhead Doors, Fire Alarm Systems, Card Access Systems, Roof Repairs, Backflow Devices, Painting, etc.
2229	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6383	Maintenance-buildings	6,014		
										Phone Maint, UPS Maint; Generator Maint; Card Access Maint; Chiller maintenance. Costs anticipated to rise as we add additional security systems to service centers. Additional service contracts may be required as we take on additional responsibilities (HVAC at Plants, etc.)
2230	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6389	Maintenance-other equipment	12,500		
2231	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6389	Maintenance-other equipment	7,500		
2232	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6404	Telephone-base cost	157,909		
2233	2013	5030	2200	8248	Facility Management - GBSC, Webberville	6405	Telephone-long distance	2,965		

Footnote #50

Joint Committee Final Budget Reduction Recommendations

Fund	Unit	Object Code	Line Item Description	FY 2014 Amended Budget	FY 2015 Proposed Budget	Budget Reduction Strategy	Reduction Description	Service Level Impacts
Additional Revenue								
1			Green WTP Decommission Reimbursement					None
2			Property Sale - Lime creek quarry		\$1,700,000			None
Total Additional Revenue					\$15,700,000			

Transfers to Other Departments								
1			Sustainability Fund	\$4,843,426	\$5,504,095		\$0 Eliminate Sustainability Fund transfer	None
2			AE Power Costs (Green Choice)	\$22,126,826	\$22,099,159		\$20,599,159 Switch to consolidated Green Choice rate	None
3			AE Billing and Customer Care	\$17,209,766	\$16,698,272		\$17,209,766 Maintain AE costs at 2014 level	None
4			Transfer to APD	\$1,241,943	\$1,241,943		\$0 Eliminate APD transfer	None
5			Administrative Support - City	\$13,126,585	\$14,439,243		\$13,517,390 Budget Office reduction	None
6			Transfer to CTM	\$3,646,544	\$3,901,198		\$3,455,342 Maintain CTM transfer at 2014 level	None
7			Transfer to APD	\$445,030	\$445,030		\$0 Eliminate APD transfer	None
8			Economic Incentives Reserve Fund	\$333,333	\$333,333		\$0 Eliminate Economic Incentives Reserve Fund	an impact of possibly less funding for providing incentives for new customers of AWU
Total: Transfers to Other Departments					(\$1,880,616)			

Utility Wide Budget Reductions								
1			Move direct labor cost to CIP	\$0	\$0		\$0 Eliminate 9 Vacant PCNs	None
2			Reductions in vacant FTEs	\$930,771	\$930,771		\$0 Eliminate all temporary employees	Minimal impact to various service levels
3		6006	Temporary Employees	\$1,073,347	\$901,398		\$0 Vacancies expected to remain at an 8% vacancy rate	Minimal impact to various service levels
4		5051	Personnel Savings	(\$5,985,431)	(\$5,985,431)		\$0 Stop funding for 2 other dept. employees	Minimal impact to various service levels
5		5020	Funding for 2 other dept employees	\$174,590	\$174,590		\$0 Stop funding for 2 other dept. employees	Minimal impact to various service levels
6		7600	Small Tools/Minor Equipment	\$1,097,805	\$1,064,482		\$363,334 10% reduction to small tool/equipment	Minimal impact to various service levels
7		6381	Award and Recognition (CORE)	\$75,228	\$75,358		\$0 Eliminate CORE Program (\$65 Per employee)	No service level impact but has impact on employee morale
8		7500	Office Supplies	\$215,946	\$225,876		\$203,288 10% reduction to office supplies	Minimal impact to various service levels
Total: Utility Wide Budget Reductions					(\$6,954,387)			

Treatment Budget Reductions								
1	5030	8033	Svcs-Bio-Solid ReUse	\$4,350,000	\$4,350,000		\$0 Reduce use of contract for biosolids land application and on-site composting	Will not reduce stockpile of biosolids on schedule planned. Risks include compost fires, operational restrictions, and permit issues for storage of biosolids.
2	5020	6031	Svcs-Other	\$290,000	\$590,000		\$40,000 Remove hydroblasting at UWTP and remove repairs to LSPS #4	Hydroblasting descales basin structures-had a universal support system fail due to weight-could happen again. LSPS #4--the 25 year old pump is operating but off the curve and only at 75% efficiency impacting power and ability to meet maximum demands.
3	5020	Various	Electric Services	\$14,096,015	\$13,619,402		\$47,686 Assumed less pumpage so reduced electricity	Assumes less production. Electric use is not 1 1 with production. Cut may already be too much.
4	5020/5030	6022/8052	Maintenance-Other Equipment	\$82,284	\$235,284		\$153,000 Eliminated a centrifuge rebuild at Davis WTP	Reduce outsourcing of equipment maintenance. May lead to higher failure rate.
5	5020	Various	Chemicals	\$6,162,228	\$5,355,378		\$806,850 Assumed less pumpage so reduced chemicals	Assumes less production. If production is higher, will go over budget

Footnote #51

LN#	BY	Fund	Dept	Unit	Item	Object	Object Name	Amount	RFP#	Justification
2851	2013	5020	2200	6245	Retail Customer Service	7500	Office supplies	2,000		Budget from 6245 and 6645 for FY12
2852	2013	5020	2200	6245	Retail Customer Service	7610	Minor computer hardware	292		Replace 1 computer monitors - old monitors are wearing out
2853					Retail Customer Service Total			475,398	2-101	
2854	2013	5020	2200	6801	Utility Customer Service Costs	6241	Interdept-Utility billing	12,366,897		FY 13 FYFF 5-1-2012
2855					Utility Customer Service Costs Total			12,366,897	2-102	
2856	2013	5020	2200	6802	Bad Debt	6898	Bad debt expense	925,000		4-24-2011 \$65K each fund \$130K total reduction
2857					Bad Debt Total			925,000	2-103	
2858	2013	5020	2200	6804	Commission on Debt	8312	Util rev bnd commission exp	20,000		
2859	2013	5020	2200	6804	Commission on Debt	8316	Arbitrage rebate-admin exp	10,250		
2860					Commission on Debt Total			30,250	2-104	
2861	2013	5020	2200	6806	Special Support	5114	Skill based pay	75,000		Per David 5-21-2012 email
2862	2013	5020	2200	6806	Special Support	5280	Consultant-others	50,000		appraisal and closing costs
2863	2013	5020	2200	6806	Special Support	5515	Services-appraisal	7,500		5-27-2011, \$50K per deduction detail.
2864	2013	5020	2200	6806	Special Support	5525	Services-auditing	50,000		
2865	2013	5020	2200	6806	Special Support	5570	Services-court costs	1,444		
2866	2013	5020	2200	6806	Special Support	5620	Services-legal fees	150,000		TCEQ rate issue per T Lutes
2867	2013	5020	2200	6806	Special Support	5620	Services-legal fees	50,000		outside legal per B Jennings
2868	2013	5020	2200	6806	Special Support	5620	Services-legal fees	100,000		additional legal fees for water items
2869	2013	5020	2200	6806	Special Support	5700	Services-survey	5,000		surveys & appraisals for 1 transaction per BJ e mail
2870	2013	5020	2200	6806	Special Support	5860	Services-other	837,280		Amount include \$15,000 closing fee to purchase other Utility.
2871	2013	5020	2200	6806	Special Support	5860	Services-other	4,820		\$40,000 settlement fee (\$400 Per connection, 100 connections) in 8806
2872	2013	5020	2200	6806	Special Support	5860	Services-other	80,648		Conflict Resolution
2873	2013	5020	2200	6806	Special Support	6124	Rental-copy machines	61,458		Lobbyists for Legislature (Pope, Johnson, Greytak)
2874	2013	5020	2200	6806	Special Support	6165	Water service	16,177		budget for all of the Copier Rental Fees in the Waller Creek Division.
2875	2013	5020	2200	6806	Special Support	6179	Water Services Interlocal	295,000		Payment to City of Round Rock for use of their hydrant to supply water to a subdivision in our ETJ
2876	2013	5020	2200	6806	Special Support	6203	Interdept charges	24,493		Per Glenlake Agreement, budget \$ 235,000 per year to cover the cost of purchasing wholesale water from Riverplace. SF 5-16-2012
2877	2013	5020	2200	6806	Special Support	6203	Interdept charges	17,536		5-30-2012, per Deduction Detail 6806/6806 total \$48,985.
2878	2013	5020	2200	6806	Special Support	6203	Interdept charges	222,515		Claims Investigator TARA 1/2 to Unit 6806 and 1/2 to Unit 8806
2879	2013	5020	2200	6806	Special Support	6203	Interdept charges	31,583		Energy-Efficient Lighting Retrofit Loan Payment for Water Plants, Maps & Records, SSC, & Waller Crk Payable to AE.
2880	2013	5020	2200	6806	Special Support	6203	Interdept charges	10,726		5-30-2012 per Robert Manchaca, Hazmat for AFD to prevent hazardous materials from going into the wastewater/water systems.
2881	2013	5020	2200	6806	Special Support	6203	Interdept charges	12,500		6-8-2012 Per Deduction Detail cost of ACM position.
2882	2013	5020	2200	6806	Special Support	6203	Interdept charges	70,906		FLEXTRA charges
2883	2013	5020	2200	6806	Special Support	6203	Interdept charges	500,000		CTM easement management system gap analysis
2884	2013	5020	2200	6806	Special Support	6203	Interdept charges	35,724		5-30-2012 Per Diane Harrison Attorney on AWU legal issues 311 System Support FY 13 FYFF 5-1-2012
										Support new Chief Environmental Officer Total \$142,885, AWU \$71,448, (5020-\$35,724; 5030-\$35,724)

Footnote #52

Austin Water Utility
Request for Production 3
Table 54 - Support Detail

ENF	BFY	Fund	Dept	Unit	Item	Object	Object Name	AMOUNT	RRP#	JUSTIFICATION
2719	2013	5030	2200	8645	Retail Customer Service	6551	Mileage reimbursements	65		Employee reimbursements for external meetings & hearings
2720	2013	5030	2200	8645	Retail Customer Service	7127	Electrical/lighting	7		
2721	2013	5030	2200	8645	Retail Customer Service	7482	Food/ice	72		Retreat for Division
2722	2013	5030	2200	8645	Retail Customer Service	7486	Books-library	25		AWWA and Customer Service Books
2723	2013	5030	2200	8645	Retail Customer Service	7500	Office supplies	2,000		in 6245 and 8645
2724	2013	5030	2200	8645	Retail Customer Service	7610	Minor computer hardware	243		1 new 24 inch flat monitor.
2725	2013	5030	2200	8645	Retail Customer Service	7610	Minor computer hardware	243		Replace printer or fax machine
2726					Retail Customer Service Total			471,513		
2727	2013	5030	2200	8801	Utility Customer Services Office - AE	6241	Interdept-Utility billing	6,129,251		FY 13 FYFF 5-1-2012
2728					Utility Customer Services Office - AE Total			6,129,251		
2729	2013	5030	2200	8802	Bad Debt	6898	Bad debt expense	917,500		4-24-2011 \$65K each fund \$130K total reduction
2730					Bad Debt Total			917,500		
2731	2013	5030	2200	8804	Commission on Debt	8140	Cert part-commission expense	2,743		
2732	2013	5030	2200	8804	Commission on Debt	8312	Util rev bnd commission exp	27,604		
2733					Commission on Debt Total			30,347		
2734	2013	5030	2200	8806	Special Support	5114	Skill based pay	75,000		Per David 5-21-2012 email
2735	2013	5030	2200	8806	Special Support	5515	Services-appraisal	7,500		appraisal and court costs per BJ
2736	2013	5030	2200	8806	Special Support	5525	Services-auditing	50,000		5-27-2011 \$50K per deduction detail.
2737	2013	5030	2200	8806	Special Support	5570	Services-court costs	500		Decrease based on current year spending
2738	2013	5030	2200	8806	Special Support	5620	Services-legal fees	50,000		outside legal per BJ
2739	2013	5030	2200	8806	Special Support	5620	Services-legal fees	150,000		legal fees for TCEQ rate issue per TL
2740	2013	5030	2200	8806	Special Support	5700	Services-survey	5,000		surveys & appraisals for 1 transaction per BJ e mail
2741	2013	5030	2200	8806	Special Support	5860	Services-other	4,814		Conflict Resolution
2742	2013	5030	2200	8806	Special Support	5860	Services-other	80,648		Lobbyists Legislature Pope, Johnson, Greylok
2743	2013	5030	2200	8806	Special Support	5860	Services-other	176,175		Utility Wide Contingency
2744	2013	5030	2200	8806	Special Support	5860	Services-other	4,000		Per Bart 5-14-2010 e-mail Payment to Hornsby Bend Utilities, per contract.
2745	2013	5030	2200	8806	Special Support	6124	Rental-copy machines	61,458		budget for all of the Copier Rental Fees in the Waller Creek Division.
2746	2013	5030	2200	8806	Special Support	6203	Interdept charges	24,492		5-30-2012, per Deduction Detail 6806/8806 total \$48,985. Claims Investigator TARA 1/2 to Unit 6806 and 1/2 to Unit 8806
2747	2013	5030	2200	8806	Special Support	6203	Interdept charges	21,467		Energy Efficient Lighting Retrofit Loan Payment for ESC, WW Plants, Maps & Records, SSC& Waller Crk Payable to AE

LN#	FY	Fund	Dept	Unit	Item	Object	Object Name	Amount	REP#	JUSTIFICATION
2748	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	222,515		5-30-2012 per Robert Menchaca, Hazmat for AFD to prevent hazardous materials from going into the wastewater/water systems.
2749	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	31,583		6-6-2012 Per Deduction Detail cost of ACM position.
2750	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	7,801		FLEXTRA charges
2751	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	12,500		CTM easement management system gap analysis
2752	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	70,905		5-30-2012 Per Diane Harrison Attorney on AWU legal issues
2753	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	500,000		311 System Support FY 13 FYFF 5-1-2012
2754	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	35,724		Support new Chief Environmental Officer Total \$142,895, AWU \$71,448, (5020-\$35,724; 5030-\$35,724)
2755	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	6,029		Wireless broadband service admin costs Per Deduction Detail \$12,058 total 50/50 W/WW. 5-17-2012
2756	2013	5030	2200	8806	Special Support	6203	Interdeptl charges	33,524		6-6-2012 Per Budget Office deduction detail for Dana Eskew
2757	2013	5030	2200	8806	Special Support	6234	Interdeptl CTECC	3,558		FY 13 FYFF 5-1-2012
2758	2013	5030	2200	8806	Special Support	6240	Interdeptl data systems	1,723,698		FY 13 FYFF 5-1-2012, including Contract
2759	2013	5030	2200	8806	Special Support	6242	Interdeptl-Admin. Support	4,822,928		Management and Real Estate office transfer
2760	2013	5030	2200	8806	Special Support	6250	Fleet-equip.preventative	1,741		Per Fleet 5-22-2012
2761	2013	5030	2200	8806	Special Support	6255	Transportation-city veh fuel	2,823		Per Fleet 5-22-2012
2762	2013	5030	2200	8806	Special Support	6324	Insurance-all risk-gen lib	658,000		Per Actual FY 10 Spending, total ww & ww property insurance. Insurance Utility-Wide
2763	2013	5030	2200	8806	Special Support	6325	Insurance-bond/theft/prof l	2,552		Insurance 5-10-2010
2764	2013	5030	2200	8806	Special Support	6363	Structured settlements	40,000		Theft Insurance at Waller Creek Center \$40 per connection for Hornsby Bend Utilities per BJ
2765	2013	5030	2200	8806	Special Support	6388	Maintenance-computer software	8,290		eCareer Admin Fee per Deduction detail (\$5,040) plus GOTOMYPC Licenses
2766	2013	5030	2200	8806	Special Support	6418	Mail distribution cost	5,500		Interoffice Mail distribution
2767	2013	5030	2200	8806	Special Support	6853	Credit Card Admin Fees	1,000		Administrative fees for bill payers who pay their utility bills with credit cards.
2768	2013	5030	2200	8806	Special Support	6870	Prior service contribution	468		Per City HRD
2769	2013	5030	2200	8806	Special Support	6871	Federal unemployment tax	16,710		Unemployment Taxes
2770	2013	5030	2200	8806	Special Support	7454	Educational/promotional	1,444		Participation in the Black History month celebration
2771	2013	5030	2200	8806	Special Support	7454	Educational/promotional	480		Participation in the Asian-American conference
2772	2013	5030	2200	8806	Special Support	7580	Software	1,636		Go to MY PC Licenses
2773	2013	5030	2200	8806	Special Support	7580	Software	150,000		Microcomputer Application Software \$300K per year, 150K W/WW each.
2774					Special Support Total			9,072,463		

Footnote #53

1 J. COST OF SERVICE RATE CASE EXPENSES

22
Re Ex
Circ

2
3 127. Do you have an estimate of the cost of this contested case cost of service
4 hearing to the City of Austin?

5 The City of Austin has awarded contracts in the amount of \$958,000 for legal
6 services, consulting and testifying experts, and expenses in this case. The full amount
7 has not been expended to date. Invoices submitted under these contract awards are
8 reviewed for sufficiency and reasonableness and compliance with Law Department
9 requirements. The additional costs of this contested case hearing are a cost of
10 providing water and wastewater service to Petitioners.

11
12 128. Are the costs of this contested case hearing in addition to the costs of the
13 upcoming Cost of Service Rate Study?

14 Yes. The Cost of Service Rate Study is a comprehensive review of the cost of service
15 for all Austin Water customers. All customer classes participate, and decisions are
16 made which balance the concerns of all the customer classes and Austin Water. The
17 restrictive procedures and limited participation of this contested case hearing cannot
18 substitute for the comprehensive cost of service rate study AWU will undertake which
19 will include the wholesale customers.

20
21 K. SUMMARY AND CONCLUSIONS

22
23 129. How effective has Austin been in calculating the cost of service for
24 wholesale customers?

25 For the most part, I think Austin Water Utility has been very effective. The cost of
26 service water and wastewater rates produced by our process are just and reasonable. I
27 think our success in adopting and implementing cost of service rates is due in large

Footnote #54

Rate Case Exp

22

REQUEST FOR PRODUCTION NO. 3-64. Provide all staffing studies conducted by outside firms for AWU for the past five years.

RESPONSE: Subject to, and without waiving any pending objections, responsive documents will be produced.

REQUEST FOR PRODUCTION NO. 3-65. Provide all compensation studies conducted by outside firms for AWU for the past five years.

RESPONSE: Subject to, and without waiving any pending objections, responsive documents will be produced.

REQUEST FOR PRODUCTION NO. 3-66. Provide all source documentation on any rate case expenses related to this docket for which the City is requesting any cost recovery (during or subsequent to this docket) from Petitioners.

RESPONSE: Respondent objects to this request as overly broad, unduly burdensome and not limited to a reasonable time or scope. Respondent further objects to the request as being made for the purpose of harassment.

Subject to, and without waiving any pending objections, Austin provides the following response:

At this time, Austin has not reviewed its invoices to determine the reasonable rate case expenses for which it will seek recovery from Petitioners. Pending additional preparation and completion of the consolidated contested rate case, reasonable rate case expenses will be calculated and will not exceed the amounts authorized for expenditure by the Austin City Council as referenced in the prefiled testimony.

REQUEST FOR PRODUCTION NO. 3-67. Please provide a copy of all proposals received by the City to conduct the 2008 Cost of Service Study.

RESPONSE: Subject to, and without waiving any pending objections, responsive documents will be produced.

REQUEST FOR PRODUCTION NO. 3-68. Please provide any "score sheets" or point system tabulations used to determine the professional services firm selected to conduct the 2008 Cost of Service Study.

RESPONSE: Subject to, and without waiving any pending objections, responsive documents will be produced.

REQUEST FOR PRODUCTION NO. 3-69. Provide the contract between Red Oak Consulting and the City for the 2008 Cost of Service Study.

Footnote #55

AUSTIN WATER UTILITY

Mission: The mission of the Austin Water Utility is to provide safe, reliable and high quality water services to our customers so that all community needs for water are met.

AUSTIN WATER UTILITY KEY MEASURES

Measure Name	2008-09	2009-10	2010-11	2011-12	2012-13	2012-13 Target	Goal Met?
Dollar amount of revenues recovered (millions of dollars)	\$1.25	\$3.48	\$1.57	\$0.54	\$2.25	\$3.00	
* Drinking Water Quality: Turbidity	0.08	0.09	0.07	0.09	0.09	0.10	✓
Millions of gallons of reclaimed wastewater used for beneficial purposes	1,991	1,093	1,450	1,521	1,472	1,300	✓
Number of findings on 10A permit for wild lands areas	12	43	42	14	7	29	
Number of reported wastewater repeat overflows per 100 miles of sewer lines per year	0.72	0.38	0.45	0.12	0.19	0.8	✓
Peak day water usage as a percentage of water treatment system capacity	80%	68%	77%	71%	61%	80%	✓
Percent invested in Capital Improvements Program (CIP) projects compared to planned spending via the CIP budget	70.5%	67.3%	89.8%	92.0%	90.0%	90%	✓
Percent of priority 1 & 1A leaks responded to within 3 hours	42%	74%	66%	69%	87%	80%	✓
Total pumpage per capita per day	167.44	135.41	160.60	142.16	136	156	✓
Wastewater Quality: Carbonaceous Biochemical Oxygen Demand (CBOD)	2.06	2.14	2.24	2.17	2.10	3	✓

* Citywide Dashboard Measure

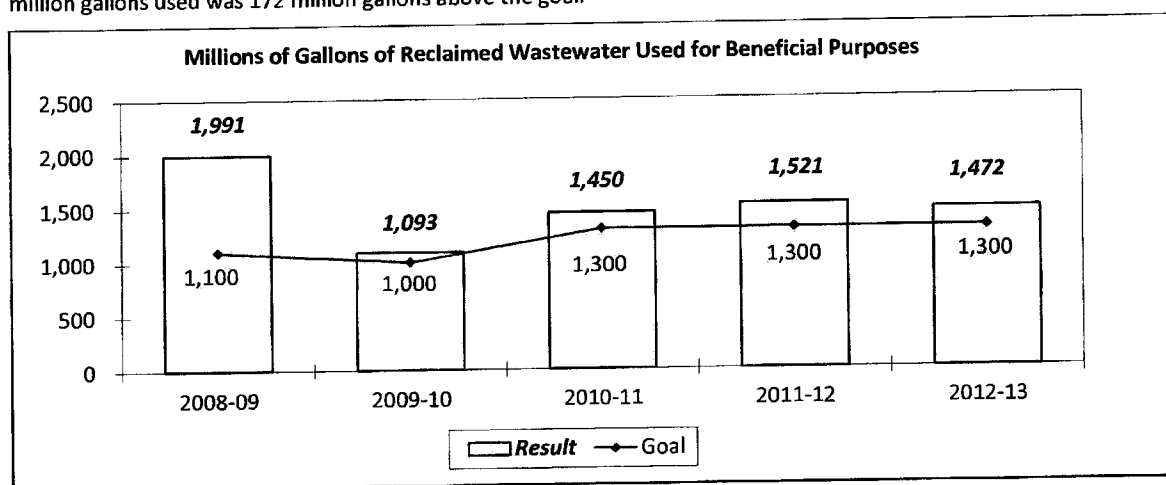


MILLIONS OF GALLONS OF RECLAIMED WASTEWATER USED FOR BENEFICIAL PURPOSE

Measure Description: This measure shows the gallons of reclaimed water from wastewater treatment processes that were beneficially reused. It is important because it shows the conservation of treated drinking water that would have been used for the purposes that the reclaimed water replaced. A higher number shows that more treated drinking water was saved thereby increasing the impact of conservation efforts on source depletion and saving drinking water treatment capacity.

Calculation Method: This measure is calculated by fiscal year by adding reclaimed water flows from the Balcones, Lost Creek, Onion Creek, South Austin Regional, and Walnut Wastewater Treatment Plants. The flows are pumpage as reported to the Texas Commission on Environmental Quality.

FY 2012-13 Results: The goal for this measure was established at 1,300 million gallons per year. The Utility's 1,472 million gallons used was 172 million gallons above the goal.



Assessment of Results: 1,472 million gallons of water was reclaimed for beneficial uses such as irrigation, cooling, and toilet flushing. Reclaimed water beneficially reused during FY 2012-13 decreased from the previous year. The decrease can be attributed largely to lower demand by our largest customer, the Sand Hill Energy Center. Possible causes include reduced electricity production, cooler summer weather, or the plant being out of service for extended maintenance. Another factor contributing to the reduction in use is reduced reclaimed water production during the peak irrigation season at the Onion Creek WWTP as a result of maintenance on leaking basins. Another factor contributing to the reduction in use is reduced reclaimed water production during the peak irrigation season at the Onion Creek WWTP as a result of maintenance on leaking basins. Finally near normal rainfall of 26.86 inches, with 32.15 inches being typical, in the eastern half of the City where reclaimed water customers are located moderated irrigation demand.

Next Steps: Reclaimed water use grows by extending mains to large volume customers that are able to convert a portion of their potable water use to the lower quality reclaimed water. Smaller customers along main extensions are also afforded the opportunity to connect. Main extensions are funded through the Utility's Capital Improvement Program, with continued funding necessary for continued growth in the beneficial use of reclaimed water. Several major projects (BAE Systems Main and Montopolis Main) concluded in FY 2012-13 that added additional customers and additional future use. Austin Water continues to implement "Completing the Core," the utility's near-term construction program, to extend reclaimed water service to other customers. Also important to increasing the volume of use is relief on plumbing code requirements that serve as impediments to connection. A study recommending changes will be complete in early 2014.

For more information contact Dan Pedersen, P.E., Reclaimed Program Manager, at (512) 972-0074.

OFFICIAL STATEMENT

Dated July 9, 2013

Ratings: Moody's: "Aa2"

Standard & Poor's: "AA"

Fitch: "AA"

(See "OTHER RELEVANT INFORMATION - Ratings")

NEW ISSUE - Book-Entry-Only

Delivery of the Bonds (as defined below) is subject to the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, to the effect that, assuming continuing compliance by the City (as defined below) with certain covenants contained in the Twenty-Second Supplement described herein, interest on the Bonds will be excludable from gross income for purposes of federal income taxation under existing law, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.

\$282,460,000

CITY OF AUSTIN, TEXAS

(Travis, Williamson and Hays Counties)

Water and Wastewater System Revenue Refunding Bonds, Series 2013A

Dated Date: Date of Delivery

Due: As shown on inside cover page

The bonds offered in this document are the \$282,460,000 City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2013A (the "Bonds"). The Bonds represent the twenty-second encumbrance to be issued or incurred as "Parity Water/Wastewater Obligations" pursuant to an ordinance (the "Master Ordinance") adopted by the City Council of the City of Austin, Texas (the "City"), on June 8, 2000, and are authorized and being issued in accordance with a supplemental ordinance adopted by the City Council of the City on June 20, 2013 (the "Twenty-Second Supplement"). The Master Ordinance and Twenty-Second Supplement are collectively referred to herein as the "Bond Ordinance." The Master Ordinance contains the terms for the issuance of Parity Water/Wastewater Obligations and the covenants and security provisions related thereto. The City also has outstanding Prior First Lien Obligations and Prior Subordinate Lien Obligations, which are secured by joint and several pledges of the net revenues of both the Water and Wastewater System and Electric Utility System. The City must comply with the covenants and security provisions related to the Prior First Lien Obligations and Prior Subordinate Lien Obligations while such obligations remain outstanding. The Master Ordinance prohibits the issuance of additional revenue obligations secured by joint and several pledges of the net revenues of both the Water and Wastewater System and Electric Utility System such as Prior First Lien Obligations or Prior Subordinate Lien Obligations. Commercial Paper Obligations having a combined pledge of Electric Utility System and Water and Wastewater System net revenues may continue to be issued on a subordinate lien basis to the Parity Water/Wastewater Obligations. The Bonds are special obligations of the City, payable as to both principal and interest solely from and, together with the Previously Issued Parity Water/Wastewater Obligations and Outstanding Prior Subordinate Lien Obligations, equally and ratably secured only by a lien on and pledge of the Net Revenues of the City's Water and Wastewater System (subject to the prior claim and lien on the Net Revenues of the Water and Wastewater System to the payment and security of the Outstanding Prior First Lien Obligations), as provided in the Master Ordinance and the Twenty-Second Supplement. Additionally, the Bonds and Previously Issued Parity Water/Wastewater Obligations referenced above are equally and ratably secured by a parity lien on the funds, if any, deposited to the credit of the Debt Service Fund (excluding any funds on deposit in the BAB Subsidy Subaccount, which was established for the exclusive benefit of the owners of the City's Water and Wastewater System Revenue Refunding Bonds, Taxable Series 2010B (Direct Subsidy - Build America Bonds)). The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the Water/Wastewater System, except with respect to the Net Revenues. **Neither the taxing power of the City nor the State of Texas (the "State") is pledged as security for the Bonds.** See "SECURITY FOR THE BONDS" herein.

Maturity Schedule on Inside Cover Page

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof within a maturity. Interest on the Bonds shall accrue from the dated date of the Bonds and shall be payable on November 15, 2013 and each May 15 and November 15 thereafter until maturity or prior redemption. Interest to be paid on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act initially as securities depository of the Bonds, and individual purchases of the Bonds will be made in book-entry form only. See "DESCRIPTION OF THE BONDS" herein.

The Bonds are offered for delivery when, as, and if issued and subject, among other things, to the opinions of the Attorney General of Texas and McCall, Parkhurst & Horton L.L.P., Bond Counsel for the City, as to the validity of the issuance of the Bonds under the Constitution and laws of the State. The opinion of Bond Counsel will be printed on or attached to the Bonds. (See APPENDIX E - "Form of Bond Counsel's Opinion"). Certain legal matters will be passed on for the Underwriters by their co-counsel, Bracewell & Giuliani LLP and Darreck W. Eugene, PC.

The Bonds are expected to be available for delivery on or about July 25, 2013.

J.P. Morgan
BofA Merrill Lynch
Jefferies
Southwest Securities

George K. Baum & Co.
Stifel Nicolaus & Co.

Ramirez & Co., Inc.
Mesirow Financial, Inc.
Hutchinson, Shockey, Erley & Co.
Siebert Brandford Shank & Co., L.L.C.

THE SYSTEMS

The City owns and operates an Electric Utility System (also referred to in this document as "Austin Energy") and a Water and Wastewater System (also referred to in this document as the "Austin Water Utility" or the "Water and Wastewater Utility") which provide the City, adjoining areas of Travis County and certain adjacent areas of Williamson County with electric, water and wastewater services. The City owns all the facilities of the Water and Wastewater System. The City jointly participates with other electric utilities in the ownership of coal-fired electric generation facilities and a nuclear powered electric generation facility. Additionally, the City individually owns gas/oil-fired electric generation facilities, which are available to meet Electric Utility System demand. The Electric Utility System had approximately 1,659 full-time regular employees as of September 30, 2012. The Water and Wastewater System had approximately 1,094 full-time regular employees as of the same date.

THE WATER AND WASTEWATER SYSTEM

Management

<u>Name</u>	<u>Title</u>	<u>Length of Service with City*</u>
Greg Meszaros	Director	6 Years
David Anders	Assistant Director, Finance and Business Services	25 Years
Jane Burazer	Assistant Director, Treatment	20 Years
Rick Coronado, P.E.	Assistant Director, Pipeline Operations	18 Years
Chris Chen, P.E.	Assistant Director, Engineering Services	1 Month
David Juarez, P.E.	Assistant Director, Water Resource Management	22 Years**
Daryl Slusher	Assistant Director, Environmental Affairs and Conservation	17 Years**

*As of June 30, 2013

**Length of service not continuous.

WATER SYSTEM

Service Area

The City supplies treated water to residential and commercial customers within the corporate limits of the City and to a portion of Travis and Williamson Counties. The presently defined service area totals approximately 538 square miles. The City also has contracted to supply treated water on a wholesale basis to five municipal utility districts ("MUDs"), two water control and improvement districts ("WCIDs"), nine private water supply corporations, one private utility, the Cities of Manor, Rollingwood and Sunset Valley, and West Lake Hills. In addition, the City has had a Water Reclamation Initiative for nearly twenty years to develop facilities and processes to make treated wastewater effluent available for irrigation and cooling processes. The City is currently in the process of establishing operating and capital funds for a Reclaimed Water Utility in addition to the Water and Wastewater operating and capital funds. See "COMBINED WATER AND WASTEWATER SYSTEM INFORMATION - Water Reuse Facilities" in this document.

The City has previously acquired the systems and assets of eleven WCIDs. The City has paid off and canceled the bonded indebtedness of all of these WCIDs. The Texas Commission on Environmental Quality ("TCEQ") is empowered to grant the City a certificate of convenience and necessity to provide water and wastewater service to retail customers outside the City's boundaries. The City is not required to obtain such a certificate. References to the TCEQ in this Official Statement are intended to include agencies whose duties and responsibilities have been assumed by the TCEQ.

Water Supply

In 1888, City leaders campaigned successfully for the first Austin Dam across the Colorado River, which was completed early in 1893. In 1934, a \$4,500,000 loan and grant was obtained from the Public Works Administration to complete the Buchanan Dam. The Lower Colorado River Authority ("LCRA") finished the dam (which is 150 feet high, 11,000 feet long), and the lake it forms is thirty-two miles long and two miles wide, covering 22,000 surface acres.

Since that time, a stairway of lakes was created by building five additional dams, giving the area 150 miles of lakes. Tom Miller Dam is within the City limits, and forms Lake Austin, which covers 1,590 surface acres; Mansfield Dam, the fifth largest masonry dam in the world, impounds Lake Travis, encompassing up to approximately 19,300 acres of surface area at the full conservation pool elevation of 681 feet MSL; Starcke Dam creates Lake Marble Falls, which spreads over 900 acres; Lake Lyndon B. Johnson, held by Alvin Wirtz Dam, has an area of 6,300 acres; and Roy Inks Dam forms Inks Lake, with a surface of 900 acres. The City owns Tom Miller Dam and has leased it to LCRA through December 31, 2050. The other dams are owned by LCRA.

The combined storage capacity of the six lakes is around 3,300,000 acre-feet of water, or more than a trillion gallons. Approximately 800,000 acre-feet of this capacity are reserved for flood control. Of the six dams on the Colorado River, two form major impounding reservoirs for the control of flood water; however, Mansfield Dam is the only designated flood control structure. The combined storage capacity of Lakes Travis and Buchanan, the two major water supply storage reservoirs upstream of Austin and managed by LCRA, is approximately 2 million acre-feet.

The City has also constructed Longhorn Dam on the Colorado River just downstream of Lady Bird Lake, and Decker Dam on Decker Creek, a tributary of the Colorado River that joins the river downstream of Longhorn Dam. Lady Bird Lake, which has a permitted capacity of approximately 3,500 acre-feet, is created by Longhorn Dam. Decker Dam creates Lake Walter E. Long, which has a permitted capacity of approximately 34,000 acre-feet.

United States Geological Survey ("USGS") records at Austin gauging station No. 08158000 show the following flows for the water year (October 1 through September 30).

1987 – 3,399,000 Acre Feet	1996 – 758,300 Acre Feet	2004 – 928,065 Acre Feet
1988 – 834,000 Acre Feet	1997 – 3,013,512 Acre Feet	2005 – 1,077,031 Acre Feet
1989 – 667,900 Acre Feet	1998 – 1,313,831 Acre Feet	2006 – 528,785 Acre Feet
1990 – 692,300 Acre Feet	1999 – 803,240 Acre Feet	2007 – 2,155,974 Acre Feet
1991 – 829,700 Acre Feet	2000 – 627,370 Acre Feet	2008 – 621,526 Acre Feet
1992 – 5,419,000 Acre Feet	2001 – 1,371,435 Acre Feet	2009 – 584,735 Acre Feet
1993 – 978,000 Acre Feet	2002 – 1,674,985 Acre Feet	2010 – 798,517 Acre Feet
1994 – 708,200 Acre Feet	2003 – 1,017,294 Acre Feet	2011 – 670,104 Acre Feet
1995 – 896,700 Acre Feet		2012 – 212,849 Acre Feet

Using the last twenty-six years from 1987-2012, the average flow was 1,253,167 acre-feet per year. (Note: The year 2012 flow of 212,849 acre feet (69 billion gallons) is atypical being the first year that interruptible stored water was not released for downstream farming operations). This gauging station is located on the Colorado River downstream of Longhorn Dam.

Water Rights. The City holds independent rights to impound, divert and use the waters of the Colorado River and its tributaries, and additional rights to such water pursuant to agreements with LCRA.

The City's independent water rights have been adjudicated before the TCEQ in accordance with the Water Rights Adjudication Act, Texas Water Code, Section 11.301, et seq. The City's rights, as determined by the TCEQ, are set forth in the Final Determination of all claims of Water Rights in the Lower Colorado River Segment of the Colorado River Basin issued by the TCEQ on July 29, 1985. Both the City and LCRA appealed the Final Determination, seeking additional rights and contesting the rights awarded to each other, in a proceeding styled *In Re: The Exceptions of the Lower Colorado River Authority and the City of Austin to the Adjudication of Water Rights in the Lower Colorado River Segment of the Colorado River Basin*, Cause No. 115,414-A-1 in the District Court of Bell County, Texas, 264th Judicial District ("Cause No. 115,414-A-1").

The City and LCRA entered into a Comprehensive Water Settlement Agreement (the "Settlement Agreement") in settlement of Cause No. 115,414-A-1 on December 10, 1987. The Settlement Agreement generally improves the independent water rights of both the City and LCRA. Such rights for the City include: the rights to maintain Tom Miller Dam and Lake Austin, Longhorn Dam and Lady Bird Lake, and Decker Dam and Lake Walter E. Long; the right to divert and use 272,403 run of the river acre-feet of water per year from Lake Austin and Lady Bird Lake for municipal purposes; the right to divert and circulate an unlimited amount of water per year from Lady Bird Lake for industrial purposes so as to consumptively use not to exceed 24,000 acre-feet per year; the right to divert and circulate water from Lake Walter E. Long for industrial (cooling) purposes so as to consumptively use not to exceed 16,156 acre-feet per

year; and the right to divert and use water through Tom Miller Dam for the generation of hydroelectric power. LCRA's independent water rights, as determined by the TCEQ, include the rights to maintain Lakes Travis and Buchanan and to divert and use water therefrom. Pursuant to the Settlement Agreement and the final judgment in Cause No. 115,414-A-1, certain other pending water-related disputes between the City and LCRA were settled. LCRA was granted an option to acquire up to a 50% undivided interest in the City's proposed Water Treatment Plant No. 4 (discussed under "Water Treatment Plants" below and referred to as "WTP No. 4"). The District Court issued a final judgment consistent with the Settlement Agreement. Certificates of Adjudication have been issued by the TCEQ.

Pursuant to previous agreements between the City and LCRA, LCRA has agreed to supply the City additional water from storage in Lakes Travis and Buchanan and other sources. The City also has leased Tom Miller Dam, and the City's right to divert and use water for the generation of hydroelectric power through Tom Miller Dam, to LCRA. The Settlement Agreement provided for the City to receive water from Lake Travis for WTP No. 4, and for additional water for municipal and other purposes of use downstream of Lake Travis.

The City and LCRA executed the First Amendment to the Settlement Agreement (the "First Amendment") on October 7, 1999. This First Amendment extends the existing Settlement Agreement through the year 2050, and gives the City a 50-year assured water supply by providing additional water from the Highland Lakes system, a chain of lakes formed on the Colorado River that includes Lake Travis, Lake Austin and Lady Bird Lake, and other sources. Additionally, the First Amendment includes an option for the City to renew the Settlement Agreement through the year 2100. The City paid a discounted amount of \$100.0 million to the LCRA as part of the First Amendment contract provisions. The \$100.0 million payment to LCRA included compensation for the following terms:

- Pre-paid reservation fee for an additional 75,000 firm acre-feet of water supply, which increased the City's total water supply from 250,000 firm acre-feet to 325,000 firm acre-feet for the additional 50-year period with an option to renew for another additional 50-year period.
- Pre-paid water use charges that would be paid by the City for water use above 150,000 firm acre-feet up to 201,000 firm acre-feet.

Under the terms of the First Amendment, the Water and Wastewater System will begin annual payments to LCRA for raw water diverted in excess of 150,000 acre-feet once the Water and Wastewater System's average annual diversions for two consecutive years exceed 201,000 acre-feet, which is unlikely to occur prior to 2015. The First Amendment also has numerous other provisions that benefit the City. Also, a legal issue regarding the building of WTP No. 4 was settled. LCRA's option to acquire up to 50% of the WTP No. 4 lapsed on January 1, 2000. All sections of the 1987 Settlement Agreement related to WTP No. 4 were deleted as part of the First Amendment. The First Amendment provides for mutual release of the City and LCRA from any claims or causes of action relating to the delayed construction of WTP No. 4.

Water Treatment Plants

Austin Water Utility has two water treatment plants (Davis and Ullrich) which have a combined rated capacity of 285 million gallons per day ("mgd"). These water treatment plants have a combined clear well storage capacity of 35 million gallons on site. In September 2008, the City decommissioned a third water treatment plant, the 80-year old Green Water Treatment Plant, which had reached the end of its functional life.

Austin Water Utility water distribution system includes approximately 3,672 miles of water mains of varying diameters, 38 distribution storage facilities with a storage capacity of approximately 170 million gallons, 25,703 City maintained fire hydrants, and 45 booster pump stations.

The City receives its water supply from the Colorado River through the two water treatment plants. The Davis Plant and the Ullrich Plant both take water from Lake Austin.

The Davis Plant, located at Mount Bonnell Road and West 35th Street, has a rated capacity of 118 mgd. The plant is of conventional design, with rapid mix basins, flocculation basins, sedimentation basins, gravity filters, clearwell storage, raw water, system chlorine disinfection, and finished water pumping stations. The plant was constructed in 1954 and expanded in 1963, 1975 and 1986.